

The NATIONAL UNDERWRITER

Life Insurance Edition



JAMES B. TISDALE

10 Years and 2,764 Sales Later

Montgomery, Alabama
October 24, 1956

Mr. Francis J. O'Brien, Vice President
Franklin Life Insurance Company
Springfield, Illinois

Dear O'B:

In May 1946 James B. Tisdale joined the Franklin with no previous insurance experience. Here is a record of his cash earnings for the past 10 years:

1946	\$ 2,377.63
1947	4,946.75
1948	5,932.47
1949	10,247.36
1950	11,250.00
1951	12,508.78
1952	16,085.30
1953	17,614.01
1954	18,768.93
1955	20,071.62

GENERAL AGENCY
OPPORTUNITY IN
LEXINGTON, KENTUCKY

Five years ago I wrote you to express the great happiness and pleasure that was mine upon the completion of my first five years with the Franklin. Now a second five-year span has passed, far more richly rewarding and satisfying than the first, and I want to again express to you and all my friends in the Home Office, my heartfelt gratitude for your part in my happiness.

I have followed to the letter the suggestions that were given to me in 1946 about concentrating on Franklin's exclusive Insured Savings Plans. In that first five years I made 1,000 sales, 68 of which were on the conventional forms of life insurance. Today the total number of sales is 2,764, and only 127 of them are other than our incomparable exclusives. In 1955, you may recall, I had the satisfaction of achieving a self-assigned goal of 365 sales in 365 consecutive days. Franklin methods and Franklin contracts made it possible.

Between us, O'B, I really feel that I should have done more in the past two years, but I must confess I spend about 20 percent of my time enjoying with my family a lakeside cottage and motorboat, the ownership of which has been made possible by the happy fact of my association with the Franklin Life.

I shall never cease being grateful.

Cordially yours,

Jim Tisdale

An agent cannot long travel at a faster gait than the company he represents!



The Friendly
FRANKLIN LIFE INSURANCE COMPANY

CHAS. E. BECKER, PRESIDENT

SPRINGFIELD, ILLINOIS

DISTINGUISHED SERVICE SINCE 1884

The largest legal reserve stock life insurance company in the U.S. devoted exclusively to the underwriting of Ordinary and Annuity plans
Over Two Billion Three Hundred Million Dollars of Insurance in Force

FRIDAY, DECEMBER 7, 1956

COMPLETE FACILITIES GUIDE

- **FOR INDEPENDENT PRODUCERS**
- **FOR SURPLUS WRITERS**
- **FOR INDEPENDENT APPRAISALS OF SUBSTANDARD**
- **FOR GROUP AND MAJOR MEDICAL CASES**
- **FOR PENSION AND PROFIT-SHARING PRODUCERS**

To list every life insurance plan underwritten by Continental Assurance would occupy a space many times the size of this

Yet, we do want you to know when and how you can use us to advantage. That in view, we have prepared a comprehensive 1956 *Facilities Desk Reference for Producers*. It tells you our complete facilities story quickly and systematically... from simple package plans to competitive contracts for complex tax situations.

Please write for your copy...and you will have a most useful addition for your working sales kit.

Continental ASSURANCE COMPANY

310 S. Michigan Ave. • Chicago 4, Ill.

CONTINENTAL ASSURANCE COMPANY
Dept. 317, 310 S. Michigan Ave. • Chicago 4, Ill.

Please send me my personal copy of your new
1956 *Facilities Desk Reference for Producers*

NAME _____

ADDRESS _____

CITY _____ ZONE _____ STATE _____



**ASK FOR YOUR
FREE COPY NOW!**

MR. BROKER . . . got 30 seconds?

That's all the time it will take to check that these are better term rates than any you have been able to offer . . . 'til now.

	\$100,000		
	Age 30	Age 40	Age 50
5 Year Convertible Term	\$515	\$695	\$1,385
5 Year Renewable Term	\$595	\$825	\$1,605

**RATES NOT QUITE SO LOW ON SMALLER AMOUNTS,
BUT STILL MIGHTY, MIGHTY COMPETITIVE.**

Fantastic? Not at all; No tricks, no catches; we just welcome term insurance, that's all . . . and substandard as well as standard.

If you live outside the ten Provident States*, sorry . . . we cannot be of service. If you do live in one of our states, contact any of our General Agents, or write direct to:

The PROVIDENT

Life Insurance Company

Bismarck, North Dakota

JOSEPH DICKMAN, Agency Vice President

Life • Accident • Health • Hospitalization
Annuities • Pension Trust

*Minnesota, North Dakota, South Dakota, Idaho,
Montana, Washington, Wyoming, Oregon, California, New Mexico.



Beneficial THOUGHTS

"Education is a companion no misfortune can depress, no crime destroy, no friend alienate, no despotism enslave. At home it is a friend; abroad it is an introduction, in solitude a solace, in society an ornament, in old age a comfort. Without it, what is man?"

BENEFICIAL LIFE

Insurance is your **BENEFICIAL** Company

David O. McKay, Pres.

Salt Lake City, Utah

The NATIONAL UNDERWRITER

The National Weekly Newspaper of Life Insurance

60th Year No. 49

December 7, 1956

Bank-Loan Backers Favorably Received by Mills Committee

Congressman Says His Group Should Not Ask Law To Bar Legitimate Plans

Proponents of the bank loan method for buying insurance presented their case before the Mills subcommittee of the House ways and means committee last week in Washington and came away hopeful that the bank-loan plan will be preserved, along with the advantage of tax deductions for interest payments on the loans.

After listening to a thorough explanation of the mechanics of bank-financed insurance, Congressman Mills, chairman of the subcommittee studying "unintended profits" under the 1954 internal revenue code, indicated very strongly, proponents of the plan reported, that his committee should not recommend any legislation which would hinder the purchase of bank-finance insurance protection.

Appearing before the Mills subcommittee were H. F. Johnson, general agent at Chicago for National Life of Vermont, who explained bank-financed procedures to the subcommittee. Mr. Johnson was accompanied by J. M. Edelstein, Connecticut Mutual, Chicago, who explained a series of graphic charts which illustrated key-bank-financed principles. Messrs. Johnson and Edelstein also were accompanied by James A. Deering, New York City broker, and by their counsel, Washington attorneys J. Milton Cooper and Leonard L. Silverstein.

Testimony in favor of the plan by these gentlemen came on the heels of testimony given a week earlier by opposition to the plan. At the earlier hearing, Gerard S. Brown, Penn Mutual, Chicago, a member and until recently chairman of the federal law and legislation committee of National Assn. of Life Underwriters, told the Mills subcommittee of NALU's agreement with the principal of the legislation desired by the Treasury department to curb what the Treasury called "special advantage" of life insurance bought on the bank-loan plan. A report of Mr. Brown's testimony leading up to his statement of NALU's accord with Treasury aims appeared in the Nov. 30 issue of THE NATIONAL UNDERWRITER.

Mr. Johnson's main testimony pointed out that the Treasury's proposal would discriminate unfairly against persons who are required to borrow to purchase insurance. Refer-

(CONTINUED ON PAGE 31)

NALU Seeks Better Income Tax Status For Debit Agents

WASHINGTON—National Assn. of Life Underwriters has filed a statement with the Mills Congressional subcommittee contending that a debit agent is an "outside salesman" within the income tax law's meaning and therefore entitled to the same privileges as other outside salesmen in deducting business expenses.

A 1955 ruling by former Internal Revenue Commissioner T. Coleman Andrews holds that a debit agent is not an outside salesman within the law's meaning. The effect is to compel the agent to calculate his adjusted gross income before deducting many of his business expenses. The "outside salesman" can deduct all these expenses from gross income, which means he frequently pays less income tax than a debit agent even though both have identical incomes, identical business expenses and all other circumstances are identical.

The NALU statement represents a second attempt by the association to get equal treatment for the debit agent. The statement asks that the law be rephrased to recognize the debit agent as an outside salesman. In a separate move, NALU is seeking to have the Andrews ruling corrected through proposed Treasury regulations now pending.

The core of the Andrews ruling is that, as distinct from selling new policies, a debit agent spends "a very substantial portion" of his time "servicing and collecting premiums on outstanding policies" and therefore is not an outside salesman within the law's meaning.

The statement also asked an amendment removing inequities resulting from the present "transfer for value" rule as regards life insurance transferred to individuals having an insurable interest in an insured and that the subcommittee give thought to giving certain annuitants the choice of being taxed under the present 1954 code or under the so-called "3%" rule of the 1939 statute.

Equitable to Finance New N. Y. Skyscraper

NEW YORK—Equitable Society will supply the financing for the projected 60-story office building to be put up just north of Rockefeller Center here, on the block front of Sixth avenue between 51st and 52nd streets and extending eastward half-way to Fifth

Great Southern Modifies Buy Offer for NW Nat'l. Stock

Great Southern Life, through Dallas Union Securities Co. of Dallas, has modified its offer to buy Northwestern National Life stock at \$103.50 a share. The original offer was contingent upon acceptance by holders of 75%, or 165,000 shares, of Northwestern National stock. That goal was reduced this week to 50%, or 110,500 shares. The offer's original expiration date still stands at Dec. 21. It is believed the Great Southern action was due, at least partly, to the fact that Northwestern National has a hard core of support among its directors, officers, home office employees and agents, whose holdings come to 25% of the stock, in addition to stockholders outside the company but friendly to management. The Northwestern National counter-offer for 15,000 shares at \$103.50 a share, which expires Dec. 10, remains unchanged.

Meanwhile, B. F. Houston, a director of Northwestern National and vice-president of Dallas Union Securities, has asked Hennepin County, Minn., district court for authorization to obtain a mailing list of stockholders and participating policyholders from Northwestern. It is understood the lists would be used for proxy solicitation and dissemination of information. Northwestern, at the request of Great Southern, previously mailed the Dallas company's offer to all shareholders. Mr. Houston's action was slated for Dec. 6. A similar move to obtain the mailing list of stockholders, only, has been brought into the court by Life Insurance Investors of Chicago, an investment trust. The case is slated for hearing Dec. 10. The Chicago firm, which is said to own 9,150 Northwestern shares, says it wants to communicate with stockholders to learn what they will do, in order to reach a decision on the disposition of its own holdings. The firm says it could mean a difference of up to \$32,000, depending on whether it accepts the Great Southern offer, holds the stock, or accepts an outside cash offer of \$100 a share.

avenue. Equitable completed the purchase of the land for this purpose some months ago, as reported in THE NATIONAL UNDERWRITER at that time. Equitable has leased the land to the firm that will own and operate the building.

Life, A&S Affairs Capture Attention at NAIC Midyear

1,100 Mix Business With Fun at Meeting in Florida Vacationland

By JOHN C. BURRIDGE

MIAMI BEACH—About 1,100 people are attending the midyear meeting of National Assn. of Insurance Commissioners here this week, and a certain amount of business is being conducted against the vacation background and despite the absence of any representative of the Illinois department. Most of the activity centers on life insurance and A&S matters, with the fire and casualty industry men putting forth their best efforts to hold the status quo, especially on the multiple line problem.

Through Tuesday the main action had to do with a proposed new mortality table for the life companies, a New Jersey proposal to have its new and complicated requirements for handling house confinement in A&S policies adopted by all states, and some intense discussion of commercial pension and trustee welfare funds. The committee on preservation of state regulation got some strong advice from the industry to get all states to participate in filing amicus curiae briefs in the cases before federal courts involving FTC.

The life committee of NAIC deferred action on the new mortality table for six months.

J. Byron Saunders of Texas announced at the first executive committee meeting that he is resigning as committee chairman as of Dec. 6. This will allow an election of a new chairman before the convention ends. There has been less speculation than usual as to who the successor will be. A few of the possible candidates are still wondering about their status back home and cannot play the role of campaigner as freely as they would like.

One report apparently certain of adoption is that of the committee on future convention sites. The recommendation is that the 1957 winter meeting be at New York Dec. 1-5 and the 1958 meeting at New Orleans Dec. 7-12.

The Miami Beach atmosphere emphasizes the social life, and there is no lack of it at this meeting. Consumer Credit Insurance Assn. was host at a cocktail party Sunday evening to the commissioners and their staffs and to about 400 industry men who were interested in something to do. Tuesday morning the Florida department of agriculture sponsored a "cracker breakfast" which lasted two hours and featured home grown food and home made souvenirs. All of Tuesday afternoon was devoted to "publication of reports" which can be translated freely as "Tropical Park." The formal

(CONTINUED ON PAGE 23)

Late News Bulletins . . .

High Court to Review Process-Service Case

WASHINGTON—The Supreme Court has consented to review the Texas court of civil appeals decision in McGee vs International Life of Texas, which involves the potency of the California unauthorized insurers service of process act. Insured's beneficiary attempted to collect from International through the California act. The insurer contended that the act did not apply because the policy was issued before the act went into effect and further argued that the Supreme Court decision in Travelers Health Assn. vs Virginia did not apply in this case.

CONGRESSMAN OFFERS SUPPORT TO NAIC

Backs States' Efforts to Ward Off Federal Regulation of Pension, Welfare Plans

MIAMI BEACH — Congressman Landrum of the House committee on education and labor and James Brewbaker, counsel for that committee, appeared at the NAIC convention at Miami Beach to offer cooperation to the states in any undertaking on their part to preempt the field of regulation of trustee pension and welfare funds. Their appearance was arranged by Commissioner Sullivan of Washington. The congressional committee had been in his state to investigate the strict laws that were enacted there two years ago.

Navarre of Michigan presided. Mr. Landrum said the proper administration of pension and welfare funds is vital. Some feel that the only real remedy is federal legislation. That is not the view of the chairman of the committee nor is it the view of Mr. Landrum. Incidentally it is rumored

that Mr. Landrum may be the next chairman.

"We want to know," he said, "what we can do to leave as much of the responsibility at the state level as possible." He asked for recommendations. Perhaps some federal disclosure acts would be needed plus grants in aid to those states that are ill equipped to proceed.

"Whatever your decision we would much prefer to have it controlled on the state level. But if there is continued lack of action on the part of the states then we would have to have federal legislation." The general atmosphere in Washington, he warned, is friendly to a federal scheme.

"Each time," he added, "that we give in to the belief that the federal government can control all the ills we are eating into the heart of what

makes the country what it is and leads down the road to uselessness of state government."

Responsible union management, he said, wants assurance that the funds will be honestly administered. "We find evidence that millions of dollars are not going to the benefit of those who are paying into the funds nor to those who are the beneficiaries." There is a big challenge to the states to enact laws and to follow through with effective administration of them.

Mr. Navarre read a joint letter from Edmund Fitzgerald, as president of LIAA; John Lloyd, president of ALC, and E. J. Faulkner, president of HIAA, recommending that NAIC proceed to generate a code of ethics on these funds. Federal laws (presumably anti-trust) create doubt whether the industry could work out such a code internally. It would be a more appropriate undertaking for the commissioners. The industry would cooperate. Development of such a code would provide concrete evidence of the intention of the states to strengthen state legislation.

Alexander Query of Prudential,
(CONTINUED ON PAGE 31)

AT NAIC PARLEY

New Mortality Table Proposal Meets Some Unexpected Criticism

MIAMI BEACH—The proposal for a new mortality table encountered static at the Miami Beach convention of NAIC.

This was unexpected, as the program had been so well publicized in advance that its proponents were confident that the blessings of NAIC could readily be obtained.

The objection was spearheaded by a number of the Nebraska companies and they were reinforced by Coloradans. Commissioners Pansing of Nebraska and Beery of Colorado made common cause with their constituents.

Apparently some of the smaller companies fear adoption of this new mortality table would touch off something of a rate war, that the larger more aggressive non-par companies which have been using rates that call for putting up deficiency reserves would, with a new mortality table, take another swipe at the premium level.

W. H. Bittel, New Jersey state actuary, presided and stoutly championed the program and challenged the critics sharply.

Buist Anderson of Connecticut General led off as chairman of the deficiency reserve subcommittee of LIAA-ALC. He said adoption of the table would be timely and in the public interest. The mutual companies have contributed much to the study and have cooperated extensively even though they have nothing to gain from it. By that he meant that the mutuals compensate for mortality improvement by enriched dividends. Likewise, he said, many stock companies have nothing to gain, they being those that have established rates based on their own mortality, interest and expense experience and have the surplus with which to finance deficiency reserves. Most stock companies will reduce their rates regardless of what is done on the mortality table.

The proposed table was agreed to by a large segment of the industry. The table is based on the mortality for 1950-54. The margins, percentage-wise, are about the same as in the CSO 1941 table. It is not a naked mortality table. Margins are necessary. The 1941 table, he remarked, was based on the 1930-40 experience.

The committee would prefer not to have the new table dated, lest the preference of certain companies not to use it might call upon their heads unjustified aspersions. He suggested that it be called an alternate or optional table. The committee would hope for an effective date of Jan. 1, 1957.

A. N. Guertin of ALC said the table was based on the experience of 50 companies, and that covered the field broadly. The margins are about as broad as in the 1941 table, being 85% as against 80-85 in the earlier table. He said it is a safe table. Also mutual companies can use it without departing from their traditional pattern of dividend distribution.

Arthur Coburn of Southwestern Life spoke in favor of the report.

Forrest Estes of Bankers Life of Nebraska was the main purveyor of
(CONTINUED ON PAGE 31)

And NOW— THE A B C PLAN

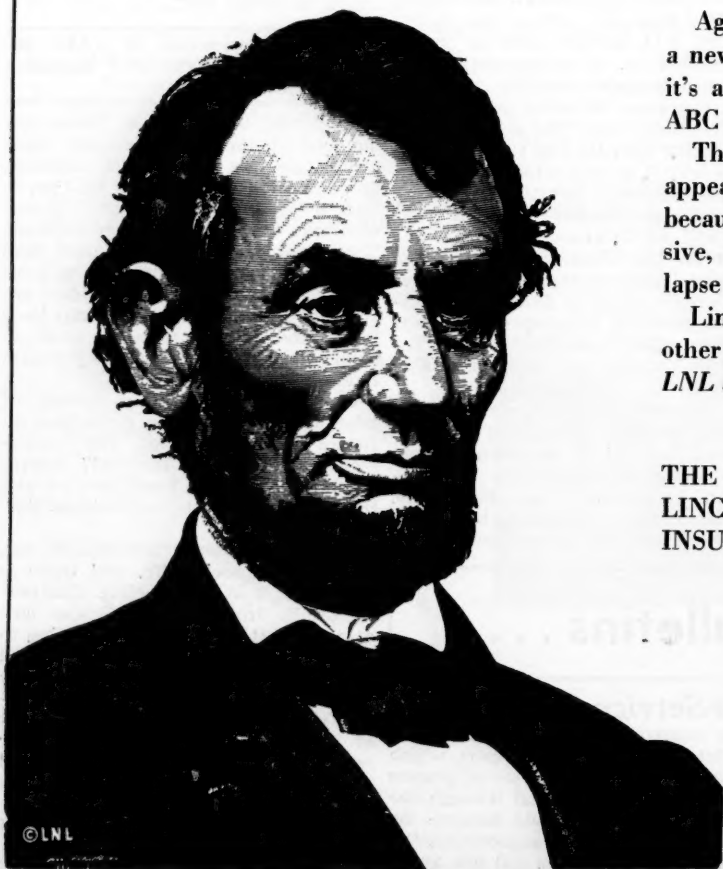
Again, the Lincoln National man has a new plan in his sales kit. This time it's a pre-authorized check plan—the ABC Plan.

This Automatic Bank Check Plan appeals to clients and agents alike because it's convenient and inexpensive, and it minimizes the chance of lapse through oversight.

Lincoln National's ABC Plan is another reason for our proud claim that LNL is geared to help its field men.

THE
LINCOLN NATIONAL LIFE
INSURANCE COMPANY

Fort Wayne, Indiana
Its Name Indicates Its Character



OVER A MILLION LIVES NOW INSURED BY *United of Omaha*

In 1955 the number of lives insured by United of Omaha passed the one-million mark for the first time. The Company's insurance-in-force climbed to almost one-and-two-thirds billions of dollars . . . an increase of 11 per cent over 1954.

In 1955 United of Omaha also paid a new high in benefits, totalling \$17,432,252.14 for the year. 58 per cent of that amount was paid to LIVING policy-owners. The Company's total assets rose in 1955 to \$243,981,930.53, with a healthy ratio of \$115.59 held for each \$100 of liability. United of Omaha, 30 years of age, places among the top 4 per cent of the more than 1000 life companies in the United States.

As the present year approaches the home stretch, United of Omaha is ahead of 1955 in all departments, confident of new all-time records by year's end.

United
OF OMAHA



United of Omaha's famous "Cash and Carry" Plan, advertised in Life, Look, Collier's and Better Homes & Gardens, is telling 13 million American families how to "Stretch Their Insurance Dollars."

U. of Pa. Sponsors Big International Insurance Conference

PHILADELPHIA—Top executives of more than 400 life and property insurance companies from 35 foreign countries and the U. S. will gather on the campus of University of Pennsylvania for an international conference of insurance authorities May 21-22.

President Gaylord P. Harnwell of the university said that, as part of the 75th anniversary celebration of Wharton school, the university is sponsoring the international insurance conference in appreciation of the insurance industry's long and continued interest in Wharton school, which pioneered in the field of insurance education at the collegiate level.

Among foreign nations to be represented are Australia, Japan, the Philippines, England, France, Austria, Switzerland, Italy, Germany, the Scandinavian countries, Canada, Mexico,

and Central and South American countries.

A program is being developed for the 2-day session on topics of immediate and long range significance to the thinking of chief administrative officers of insurance companies throughout the world. Subjects will include the place of private enterprise and government in health insurance, the effect of inflation on the operations and solvency of insurance companies, recent developments in insurance regulation throughout the world, domestic and international investment problems, expanding the capacity of domestic and international insurance markets, and fundamental trends in insurance marketing.

General sessions will be supplemented by special seminars on life, fire, marine, casualty, health and other forms of insurance. The university will announce at a later date the names of the distinguished authorities who will participate in the general and seminar sessions.

Heading a sponsoring committee of 75 internationally known insurance personalities cooperating with the uni-

versity are John A. Diemand Sr., president of Insurance Co. of North America, and M. Albert Linton, chairman of Provident Mutual Life.

"The conference," said Mr. Diemand, "offers an extraordinary opportunity for domestic and foreign insurance executives to exchange ideas and get to know one another on a personal basis. A true spirit of international cooperation in meeting common problems can set an inspiring example for all who seek economic and social progress."

In a recent letter to the sponsoring committee, Dean C. A. Kulp of Wharton school said the purpose of the conference is to provide a forum at which the world's insurance leaders can exchange ideas in an atmosphere of critical objectivity and gain a new perspective as to both their responsibilities and opportunities.

State Department has assured the university of its full support in facilitating arrangements for the conference and in expediting communications with foreign invitees.

Mr. Linton said free association of ideas and men from the international insurance scene will inevitably lead to better understanding among business men of the free nations.

Selected by the university as co-directors of the conference are President Davis W. Gregg of American College and Dan M. McGill, professor of insurance at Wharton school and executive director of S. S. Huebner Foundation for Insurance Education.

The City of Philadelphia has joined with the university in making plans for the conference.

'Cheaper-by-Dozen' Stirs Lively Talk at Actuarial Meet

The paper on premium rates varying by policy size, presented by Elgin G. Fassel, senior actuary of Northwestern Mutual Life, drew lively and extended discussion at the recent annual meeting of Society of Actuaries at White Sulphur Springs, W. Va.

C. A. Ormsby, Connecticut General, said Mr. Fassel's paper is "no doubt destined to be of major historical significance to life insurance through its impact on competition within the industry and the insuring public's reaction to more scientific pricing."

R. J. Randall, Teachers Insurance & Annuity, outlined the method his company uses to recognize the varying expense according to policy size. Dividends are increased for the larger amount policies, this method being used because "equities could be maintained more satisfactorily in later policy years as expense patterns change."

D. J. Lyons, Guardian Life, questioned some of Mr. Fassel's assumptions and said that Mr. Fassel's figures "can be sustained only if overriding commissions actually vary with size of policy." He cited the difficulties involved if the schedule of such commissions were to vary by policy size. He stated that only those items of expense which actually vary per \$1,000 with size of policy should be the basis for quantity discounts.

Daton Gilbert, Connecticut Mutual, mentioned the basic forces bearing on the necessary cost studies, the problems posed by different types of companies and the field expense allocation problem.

J. A. Campbell, London Life, outlined his company's method of assessing per-policy expenses which provided the necessary base for his company to be the first in North America to give full recognition to policy size in its rates for all plans. Mr. Campbell gave due credit to the several Canadian companies which have for a number of years issued policies in different amount classes at different rates of premium.

F. P. Chapman, Metropolitan Life, opined that there will be many differences of opinion on the subject. He questioned many of Mr. Fassel's assumptions and the apparent inconsistency of his method.

D. H. Feay, Companion Life, gave a brief description of the methods he used and the results obtained which led to a revision of his company's gross premiums incorporating a variation by size of policy.

Arthur Pedoe, Prudential of England, said that variations of premium by policy size had long been used in many companies in one form or another. He stressed the high constant first year expense developed by Mr. Fassel which confirms the results of Mr. Pedoe's frequent expense studies.

W. B. Waugh, Canada Life, congratulated Mr. Fassel on having the courage to set up his ideas as a target on such a controversial matter.

W. M. Stewart, Central Standard Life, considered some of the forces leading to the adoption of a variation in rate by size of policy. Observing that this development had been perfected in other countries, he said that in the U. S. "It is an example of where arbitrary governmental restrictions apparently operated to the detriment of the industry's service to the public."



Contribution to Happiness

The life underwriter's contribution to happiness consists of the real feeling of security which he brings the family circle.

To life underwriters everywhere, the Equitable Life Insurance Company of Iowa offers a toast . . . may your holidays be happy and the New Year crowned with continued contributions to the happiness of your fellow men.



Equitable

LIFE INSURANCE COMPANY OF IOWA

FOUNDED IN 1867 IN DES MOINES



Richard B. Evans, left, president of Colonial Life, receives Upsala College Alumni Assn. award from Howard Harms, vice-president of the alumni association. The award, the first of its kind to be conferred on individuals, was given to Mr. Evans in recognition of the services he has performed for the development and advancement of Upsala.

A resident of East Orange, where Upsala is located, Mr. Evans received his citation after an association of eight years with the college, during which time, as a member of the advisory council, he has worked on various problems of finance and administration. In his capacity as president of Colonial Life, he initiated the company's scholarship program for Upsala students, as an incentive for study in the science of mathematics. He served on the mid-century convocation in 1950 and was a leader for the special gift work, raising funds for the new gymnasium-auditorium. Mr. Evans is a personal supporter of Rho Alpha Phi fraternity and has helped in the organization of the annual football banquet by this group.

What is the "best buy" in Life Insurance today?

Through the years life insurance companies have extended their benefits to an ever-widening segment of the American public. They are continuously at work not only to liberalize existing contracts but also to create new policies that meet modern needs. Imaginative, new forms of contracts providing family security and insuring the continuation of business ownership are announced with increasing frequency.

To the average man on the street, however, many of these new developments are merely a confusing jumble of ideas and labels. *How can he determine what is the "best buy" for him in life insurance today?*

New forms of life insurance are like the miracle drugs we hear so much about. New drugs offer promise of great benefit to mankind, but still must be skillfully prescribed by trained physicians. Life insurance must also be prescribed by an expert. Without study of the client's problem and an accu-

rate diagnosis by the life underwriter, full benefit cannot be achieved from new forms of life insurance.

So, when all is said and done, it is the modern life underwriter who is perhaps the most significant achievement of the life insurance business. He is a far cry from the high pressure salesman who, armed with little more than a rate book, set out to make quick sales with a minimum of service. The modern life underwriter looks upon life insurance as a career, not just a job. He is highly trained to use all of the tools at his command to solve family and business problems of financial security. The life underwriter who dedicates himself to the interests of his clients stands second to none in the contribution he makes to the well-being of his community and the nation.

Home Life is proud to salute its own field organization and all other carefully selected and trained career life underwriters who are, in truth, the "best buy" in life insurance today.



HOME LIFE INSURANCE COMPANY

256 BROADWAY, NEW YORK, N. Y.

"A Career Underwriters' Company"

William P. Worthington
President

John H. Evans
Vice President - Sales

'Tight Money' Effect on Buy-and-Sell Agreements Told

The "tight money" policy of the GOP administration enhances the need for funded buy-and-sell corporation agreements, R. W. Hilgedag, Indianapolis estate and taxation attorney, told members of the Indianapolis Life Underwriters Assn. at their November meeting.

In states where corporations are al-

lowed to buy in their own stock, the law usually specifies that they may do so long as they do not impair the financial structure of the company, he pointed out. "Certainly a creditor has a right to go into court and charge that any particular stock purchase out of surplus will result in such impairment; and under the 'tight money' policy, creditors are looking twice at large expenditures by any corporation.

"Where the purchase is made out of corporation surplus, creditors may be able to make a case, or at least to cause delay in settlement with the heirs of

a deceased stockholder. However, when the death of the stockholder creates the money with which to buy in his stock, as it does with life insurance funding of the buy-and-sell, no creditor is likely to be apprehensive," he said.

Mr. Hilgedag also charged there is too much emphasis put on the idea that a buy-and-sell agreement will fix the corporation valuation for estate-tax purposes. "Neither the revenue department nor courts are obligated by law of custom to accept the buy-and-sell valuation as the taxable valuation,"

he reminded listeners. "The agreement doesn't fix the value. The most that can be said for it is that it is evidence of value."

He also warned that a buy-and-sell agreement is not the solution to every business insurance problem. "It's usually a good idea; but there are cases in which it is the worst thing you could have . . . before you make an all-out recommendation for such an agreement, be sure you have analyzed the situation thoroughly," he advised.

Valuation formulae in agreements are "tricky," Mr. Hilgedag warned. "They always have to be 'interpreted.' When I use a formula, I require that the firm's accountants figure out the valuation as of today, using the formula as it would be used when the agreement goes into effect. If there are any problems of interpretation, they come up then and can be solved while everyone is alive. I then require the principals to sign the accountant's calculation as indication that they are aware of the interpretations he has made and items he has included and approved of them when everyone was alive to bargain."

While admitting that the deferred compensation field is a lucrative one, he said, "My knees shake when anyone asks me to prepare such an agreement for an officer or employee who is also a stockholder."

Mr. Hilgedag recommended that agents with divorced or separated clients study the separation agreement to see whether alimony or support money is a liability against the estate. If it is, he suggested decreasing term purchased by the present wife on the life of her husband to make up the deficit the alimony liability will create in the husband's estate.

if you want action instead of promises check into this two-listed money-making proposal

for

**GENERAL AGENTS and BROKERS in
PENNSYLVANIA • OHIO • ILLINOIS • INDIANA
MARYLAND • DELAWARE • TENNESSEE
ARKANSAS • LOUISIANA • FLORIDA**

LET US SPELL IT OUT . . .

More Competitive

L.I.C.A. Policies are replete with unusual selling features. For instance—the L.I.C.A. DIAMOND — an endowment that has a \$1,200 cash value per \$1,000 face amount guaranteed at 65 . . . returns all premiums paid in addition to face amount death benefit during period (20 years) in which premiums are paid.

More Merchandising

A hard-hitting, sales producing program from "mail to sale". The modern, up-to-the-minute aids we furnish are tested and proved for powerful selling force. Everything furnished to you without charge.

More Advertising

We help you develop sales potential through local advertising, direct mail, quality-lead programs. This is not a sporadic, hit or miss effort but a consistent, result-getting plan paid for by L.I.C.A.

More Contracts

10 pay Life • 20 pay Life • 30 pay Life • Life paid at 65 • modified Life • whole Life • preferred Life • double protection • 5 types of endowment • 2 types of retirement • 9 juvenile plans • mortgage policy • convertible term • accident and health • Hospitalization.

More Assistance

We have an outstanding Assistance plan — affords you unlimited earning possibilities. We give you the backing and wholehearted support for positive success.

More Money For You

This is truly a "ground floor" opportunity. L.I.C.A.'s vigorous program of agency building offers outstanding opportunities for both types of general agents — producing and organizing. Wonderful brokerage and surplus agreements! You can make money with L.I.C.A.

WRITE, WIRE OR PHONE COLLECT

Paul Reichart, Vice President in Charge of Sales

Life Insurance Company of America

Wilmington 99, Delaware • Telephone: OLympic 42474

Equitable Society Opens

New Building in Milwaukee

MILWAUKEE—The new \$1,500,000 business building of the Equitable Society, recently completed on the new west side at West Wisconsin avenue and North 17th street, was formally dedicated Nov. 30. The building houses the Wisconsin division of Equitable in charge of Lee Wandling. Charles W. Dow, New York, president of the company, and other officials attended the events and participated in the ceremonies. He spoke at a dinner and reception for civic and business leaders on Nov. 29, and a luncheon for the state Equitable organization the following day. Open house for the public followed the dedication.

N. Y. Life Dividends to Top \$100 Million

NEW YORK—For the first time, New York Life's dividends will total more than \$100 million. The 1957 amount includes \$96.1 million for individual life and annuity policyholders, as compared with \$93.1 million for 1956. The remainder is for group and A&S policies. The scale on all individual policies will be the same as for 1956.

New York Life will continue to credit interest at 3%, or at the guaranteed rate if higher, under supplementary contracts and dividends left on deposit.

LOMA Graduates to Hear Learson at N. Y. Session

Society of Life Office Management Assn. Graduates will hold its quarterly dinner meeting Dec. 5 at the Mutual of New York building, New York City. Richard J. Learson, vice-president of Mutual of New York, will speak on the development of management in the insurance business. About 125 members are expected to attend.



"FOR MY MONEY, a job with a doubtful future is no worse than a job that squeezes you into a box and leaves you there. It's a gamble either way, and I don't expect to be the predetermined loser. I don't want the fear of not knowing where I'm going nor the fear of spending a lot of years going nowhere. And I've protected myself on both counts.

"BEFORE I LEAPED INTO A JOB, I looked closely into opportunities for advancement. As a result, I joined a major company that opens the door—and keeps it open—to a wide and expanding future. I joined The Union Central Life Insurance Company and found security, independence and lots of elbow room to move in any of several directions.

"PERSONALLY, I'm content in sales. But if I were interested in management or administration, I know The Union Central would offer me every opportunity to make the most of my abilities and ambitions. A guy can't ask for more than that. He shouldn't accept less."

OPPORTUNITY FOR ADVANCEMENT is just one of many major job advantages career-minded men and women can expect to find at The Union Central. Others include: choice of job location; liberal retirement and pension plans; company stability and national reputation; thorough, effective training. In addition, The Union Central Home Office actively supports its field representatives with scientific prospecting procedures, a wide variety of sales presentations to fit every type market and research-tested promotional material. So if you're interested in a satisfying career with so much to offer, drop us a line and we'll be glad to arrange an interview at one of our local offices near you.

THE UNION CENTRAL LIFE INSURANCE COMPANY
CINCINNATI

One of America's great companies—with over two billion dollars of life insurance in force!

■ This ad is designed to be of service to young men contemplating a career in life insurance.

Tell NAIC of United Efforts to Fight FTC Cases Based on PL 15

MIAMI BEACH—Strong arguments were offered the NAIC committee on preservation of state regulation at its session Monday to "give the court everything you've got" in support of insurers contesting the Federal Trade Commission cases involving public law 15. Henry Moser of Allstate offered the potent advice originally, and drew support from J. Raymond Berry of the National Board and Ray Murphy of Assn. of Casualty & Surety Companies, that if 48 states join in an amicus curiae brief opposing FTC as being wrong in the law, the chances of success would be considerably bettered.

McConnell of California, the chairman, opened the meeting with a brief resume of the FTC situation, and asked for helpful comment. He said the deadline for briefs in the American Hospital case is Dec. 10, and it appears to be too late to get much participation there, although the Texas attorney general has prepared a brief and will file it. National Casualty is next in line, with a case pending in circuit court at Cincinnati. The Fireman's Fund case has already been argued and an early decision is expected, but this case was not taken up on the merits of the FTC position on PL 15.

Navarre of Michigan opened up the discussion of multi-state participation in amicus briefs, suggesting that it might be wise to invite participation of states in which National Casualty is licensed, perhaps by joining in a brief with the Michigan attorney general.

Holz of New York said he believed it would be better to limit participation to states in the circuit. Numbers of states won't make any greater impression on the court than those in the circuit, he added, suggesting that a brief be filed by the attorney general of the state of domicile first and then by those in the circuit, either as subscribers or separately.

Mr. Navarre wondered whether it would produce a better result to have every state involved, every state

where National Casualty does business, assert its rights or limit the participation to those in the circuit. He said he thinks numbers are important. If the briefs are numerous, well prepared and present the issues clearly, the very weight of them will have an effect. He said he could see no particular merit in limitation. There might be only one other state in the circuit but there could be 30 states involved on a business basis.

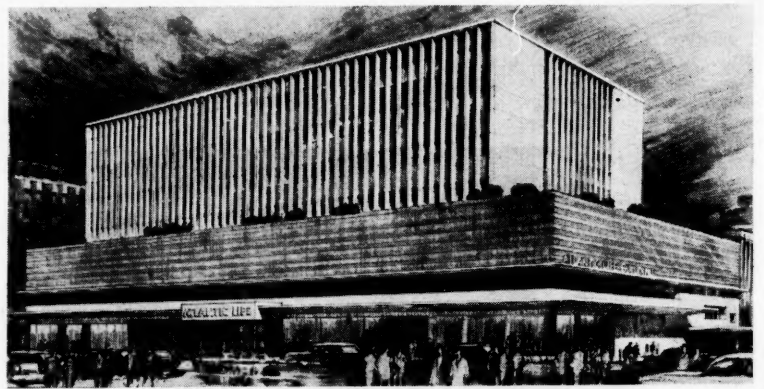
The number of briefs is not the kind of thing the committee can vote on yes or no, Mr. McConnell commented. The state attorneys general have to make their decisions and get permission from the court to file their briefs. Some courts, he noted, are sick and tired of amicus curiae briefs. The parties at interest generally know all of the facts and amicus briefs have mostly a psychological value. In California, Mr. McConnell said, he wanted to get the state position asserted in the Fireman's Fund case, and Washington, having a special interest, did also. The attorney general from both California and Washington asked time to argue, but the court wouldn't hear them.

Robert Neal of Health Insurance Assn. said his association is filing a brief in the American Hospital case and has retained outside counsel. This counsel says, Mr. Neal reported, that there is great danger in a multiplicity of briefs, but of all the outside briefs, the one having the best chance for attention and argument is that filed by an attorney general. An attorney general's brief in which one or two other states concur is best, Mr. Neal said.

Mr. McConnell said he was advised that some counsels are of the opinion that the worst folly of all is to have all states join in a brief, since that lays down the proposition that the issue is to be decided here and now and puts all the eggs in one basket, leaving the whole matter up to perhaps three or four men.

It was at this point that Henry Moser made his appeal for united and 100% action, saying he could not agree with Mr. Holz that the approach by states in the circuit is best. The industry and the states have one shot at the issue, he said, and the first case will be "very controlling." He urged the commissioners to "give the court

(CONTINUED ON PAGE 24)



Atlantic Life has approved plans for the construction of a \$2.3 million home office building, to be located atop a 3-floor parking facility in the heart of downtown Richmond. Four of the floors will be utilized by Atlantic for offices and one will serve to increase available parking space in the garage unit by more than 100 cars. The floors reserved for Atlantic's use will provide more than 60,000 square feet of air conditioned space. Two high speed elevators will carry visitors to a reception room five stories up. This room will have a landscaped terrace overlooking Grace street below. On the floor with the reception room will be a company dining room 30 feet by 80 feet with an adjoining pavilion.

NAIC Spars Over Group Credit For Mutual Fund Buyers

MIAMI BEACH—Sparring over the issue of grafting life insurance on the trunk of mutual funds took place at the NAIC group life subcommittee meeting Monday morning.

Taylor Bigby of NALU pleaded for inclusion in the group life definition of the following provision:

"No debtor shall be eligible (for group insurance) unless the indebtedness constitutes an irrevocable obligation to repay which is binding upon him during his lifetime at the time the insurance becomes effective upon his life."

At the St. Louis convention in June, the NAIC committee recommended this, but removed the word "irrevocable." Mr. Bigby said without "irrevocable" the provision is meaningless.

Victor Lutnicki of John Hancock noted that this regulation is aimed at group credit coverage on purchasers

of mutual fund shares on the installment basis. Such a program ought to be confronted on the public interest question. If it is not in the public interest, John Hancock would like to know why. A model law should not contain caveats that don't have a direct relationship to the public interest. He said these combinations have been on the market for 15 or 20 years. They do not hurt the agent or injure his sales. Mutual funds are well regulated and closely controlled investment mechanisms, and life insurance is likewise regulated and controlled. New York and Massachusetts have ruled that the plans are permitted under the model group law. If they are injurious to the public, that fact should be ventilated and argued.

Mr. Bigby said NALU would like to see NAIC action at this session in view of the forthcoming legislative season. Commissioner Howell of New Jersey, the chairman, voiced doubt that this could be done.

Mr. Lutnicki said this is related to the variable annuity problem. The latter is essentially a mutual fund with a mortality element. Mr. Bigby, however, insisted that this is a singular subject and is not affected by the variable annuity matter.

Oren Pritchard, for NALU said his group believes the definition should make certain that what is covered is a true debt. A contract to buy something isn't a debt during the lifetime of the individual.

Lancaster Returns to Ky. as Chief Examiner

B. Robert Lancaster has returned to the Kentucky department and will serve as chief examiner.

Mr. Lancaster was with the department from 1934 to 1945, doing examination work for the department and for Zone 3. He joined Medical Protective of Fort Wayne as comptroller in 1946. When he resigned from the company, he was vice-president, secretary, general manager, assistant treasurer, a director and stockholder.

Ransack Insurance Offices

Officers of National Life & Accident, Prudential, Life of Georgia, and Lincoln Income Life were among a number of business offices ransacked on the second and third floors of the Kitchen building, at Ashland, Ky., recently. Nothing of considerable worth was reported taken.

a step ahead...for Security agents

Security Life & Accident agents are always a step ahead of competition. We at the home office plan always to keep a step ahead with new plans and policies geared to meet the need of today's insurance buyer.

★ NEW LOWER COST TERM PLANS

★ NEW 5TH DIVIDEND OPTION

★ \$25,000 MINIMUM ORDINARY

★ LIFETIME DISABILITY INCOME

★ NON-CAN A & S

General agent and agent franchises with vested renewals available in most states west of the Mississippi. A "Best" recommended company. Write: J. F. JOHNS, First Vice President.

Security Life & Accident Company
SECURITY LIFE BUILDING • DENVER 2, COLORADO

always a Front Runner

Massachusetts Mutual keeps pace with the times



**HERE ARE THE LATEST
CHANGES TO KEEP OUR
POLICY CONTRACTS
OUT IN FRONT:**

Increased Savings on Advance Premium Payments

The rate of interest used to discount premiums paid in advance has been increased from 2½% to 3% per annum — another plus for Massachusetts Mutual policyholders.

Income Dividends on Life Income Options

Extra! An income dividend with each installment payable in 1957 under life income settlement options in effect under policies issued after May 1, 1943. Income dividends are in addition to the interest dividend payable if any of the life income payments are stipulated.

Guaranteed Issue — Now Considered on 10-24 Lives

Individual Policy Employee Benefit Plan. Liberal underwriting. Groups of 10-24 lives, 90% participation, up to \$10,000. Groups of 25 or more, 75% participation, up to \$20,000 (subject to state statutory limit).

Accidental Death Benefit Extended and Liberalized

Now issued ages 10-60. Coverage to age 70 or prior policy maturity. Lower premium rates in most cases. Number of exceptions reduced.

Existing coverage liberalized in line with new exceptions. Dividends payable in 1957 on premium-paying ADB provisions in force before May 21, 1956.

Retirement Income at 62 for Women

To supplement Social Security benefits. Policyholder may defer starting income up to 5 years after age 62. Annual Premium per \$10 monthly income (\$1,000 insurance): age 25, \$41.83; 35, \$63.22; 45, \$110.48.

For Women — Waiver Coverage Now to 60

Now being written for ages 10-55. Coverage and premiums to policy anniversary nearest age 60 or end of premium-paying period if earlier. Rates 1½ times those for men.

Massachusetts Mutual
LIFE INSURANCE COMPANY — SPRINGFIELD, MASSACHUSETTS
The Policyholder's Company



Continental Cos. Hold Seminar on Recruiting

Continental companies held a 2-day recruiting seminar in Chicago for 20 placement officers and educators from midwestern universities. The meeting included talks by executives, a symposium on insurance careers for graduates and guided tours of the home office.

Chairman Roy Tuchbreiter, keynoting the seminar, placed special emphasis

on youthful leadership within the companies and the interdependence of the insurance business with institutions of higher learning.

President J. M. Smith of Continental Casualty said insurance companies must provide full multiple line facilities or forfeit leadership. In making these facilities available, the company is striding ahead but is in danger of outstripping its manpower supply. He hoped that the educators, given a firsthand account of job possibilities at

Continental, would feel that insurance is a business which they could recommend confidently to graduates.

President Howard C. Reeder of Continental Assurance said the country's increasing birth rate makes life insurance a growth industry. College men are needed to service policyholders and contribute to the growth. Life insurance is a depression-proof career and the company is eager to delegate responsibility to many young men now in college, he said.

Reason for High Agent Turnover Explained to Indianapolis GAs

A big reason for high turnover despite development of scientific aptitude tests is that no test yet devised can show whether or not any given general agent or manager and any given recruit will be able to work together, Lowell Holmes, managing director Management Research Associates, Indianapolis, told members of Indianapolis General Agents & Managers Assn. at their monthly meeting recently.

"No matter what a man's aptitudes," he warned, "he won't succeed if he, the general agent and manager, and the supervisor can't work together. This is the explanation of the often-observed phenomenon of the agent who fails in the business with one agency but succeeds with another."

Another cause of failure, and, more often of mediocrity, is that both the manager and the agent devote all their time to building up the agent's strongest point, "whereas, no chain being stronger than its weakest link, it should be that weakest point on which developmental effort should be concentrated," he said.

Mr. Holmes warned that some men must have the morale stimulus of frequent sales to succeed. "Thus a successful salesman from other lines may not always be successful in life insurance, where sales are normally rather widely spaced," he said.

"One of the biggest troubles with young men today is inability to read—pure mechanical inability as a result of some teaching experiments indulged in during the past 20 years. Often the best training you can give a new, young man in the business is a course in remedial reading. If you don't, he will never absorb the training material you use with him; and your only way of training him successfully will be by word of mouth, which is the slowest of all ways."

Mr. Holmes advised the GAMC members that "You are in the most wonderful business in the world, a business which literally safeguards the free world's destiny, but you need to be giving more attention to methods of finding out all about a man before you put him under contract to cut down sharply the waste of human resources that comes when you induce a man to spend six months to a year of his time to find out what you should have known before you hired him: the fact that he isn't suited for the business, or, at least, for the business under you."

At a board meeting preceding the regular meeting, resignations of James Bettis, general agent Berkshire, as a member of the board, and of Samuel Fuller, executive secretary employed in October to replace Donald A. Baker, long-time executive secretary, were accepted. Elected to fill Mr. Bettis' term was G. William Eppley, manager Prudential ordinary. Qualifications of several applicants for the executive secretary post were reviewed.

Tennessee Life V-P Talks Before Nashville Gatherings

Charles E. Gaines, vice-president and agency director of Tennessee Life of Houston, addressed a November meeting of Nashville General Agents & Managers Assn. His topic was "What the Agent Expects from Management." Mr. Gaines also conducted an all-day sales congress for the Nashville Life Underwriters Assn. on Nov. 29. Approximately 250 attended.

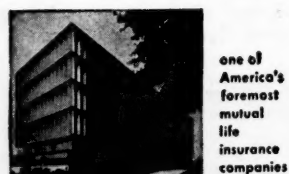


LOVE COSTS MONEY

THIS IS a tragedy about to occur—as it does much too commonly on the American scene today. Blinding lights on a curve, a screech of brakes—then death.

Who was to blame is not important, for this tragedy extends far beyond the death that happened here. The husband, and father, has suddenly been taken away and no one can replace him.

This could be any one of us, today, tomorrow, next week. Those of us who love our families have been foresighted enough to expect the unexpected and made provision that, even though we are gone, those we leave behind need never suffer economically. Life insurance is the most certain, most economical manner in which to be positive your family will have what you planned for their future. There is no better life insurance than Pan-American Life insurance and our Representative will be happy to present a "Tailor-Made" program suited to YOUR plans.



one of America's foremost mutual life insurance companies

Pan-American

LIFE INSURANCE COMPANY

"Guardian of Your Tomorrow"

Offering all forms of Life Insurance Group and Pension Plans

You will be glad your Pan-American Representative called—welcome him.

PAN-AMERICAN LIFE INSURANCE COMPANY
2400 Canal Street, Dept. PRS 1756
New Orleans 19, La., U.S.A.

Without obligation, please send me full information about your "Tailor-Made" Plan.

Name.....
Address..... Date of Birth.....
City..... State.....

"When someone's counting on you . . . you can count on life insurance."

In TIME and NEWSWEEK

ads similar to this are appearing regularly to build prestige for, and to assist, our Representatives in their daily efforts. Each ad reaches millions of persons who are prospects.

This, coupled with our training, top-notch sales aids, and our "Tailor-Made" policies, designed to meet individual needs, will make more money for you under

PAN-AMERICAN'S CAREER CONTRACT

"Guardian of Your Tomorrow" applies to Pan-American's Representatives as well as its Policyowners.

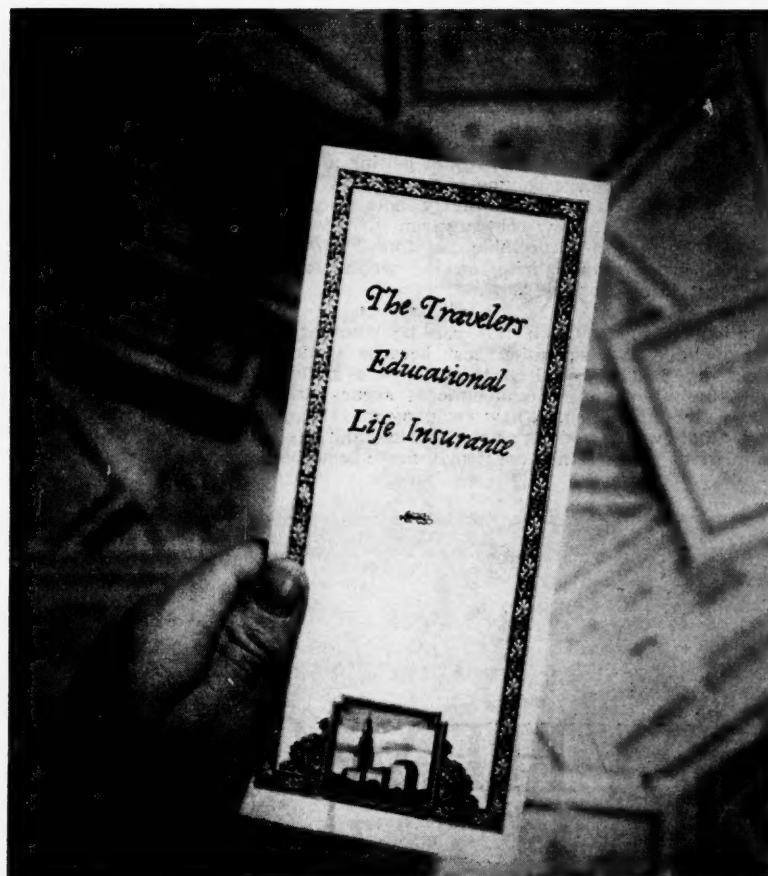
Clarence H. Bell
President

E. W. H. H. H.
Executive Vice-President

Kenneth D. Hauer
Vice-Pres. & Agency Director

*bring
your
life
business
into
focus
with*

**GUARANTEED
COST**



educational life

contracts from The Travelers

When you focus your attention on educational life, you can be sure of success by campaigning with The Travelers Educational Life contracts.

The Travelers, one of the pioneers in this field, offers a number of programs, all based on guaranteed cost. And it's this important feature that provides you with an exceptionally strong selling point. For guaranteed cost eliminates uncertainty about total premium costs.

The Travelers helps pave the way for your calls by advertising year round in the nation's leading magazines. And you'll get a big assist from the wide assortment of Travelers promotional materials.

A Travelers Life Manager or General Agent will be happy to talk over the educational life contracts with you. Why not call him today?

The Good Things in Life are Guaranteed

ONE OF THE LEADING LIFE INSURANCE COMPANIES

THE TRAVELERS



HARTFORD CONN.

Conservative Credit Insurers Alarmed at Newcomers' Antics

By HOWARD J. BURRIDGE

Stable and established companies writing credit life insurance are beginning to become disturbed and in some cases even alarmed over the nature of the competition they are encountering from newly-formed companies that have gone into the credit field. They are upset the most by the willingness of such companies to pay exorbitant and what seem to be unprecedented commissions. They believe that if the present trend continues, the writing of credit life insurance may lose most of the appeal that it has had in the past.

The recent tightening of the rules on the writing of credit life insurance in West Virginia indicates that insurance commissioners continue to keep a sharp eye on the operations of the credit writers. They are inclined to criticize various practices of many credit writing companies but those who are disposed to discuss the situation honestly will admit that with many companies the commissions paid

for the business are entirely too high and this strikes insurance commissioners as incongruous when they see that most companies have at worst a very favorable mortality experience on their credit business.

The cause of the present disturbed state of mind among the credit writing companies of long experience is the fact that a newly formed life company feels that credit life insurance provides a way of getting a relatively large volume of business on the books in a comparatively short space of time. A new company can in fact build up a respectable "in force" showing by specializing on the writing of credit business.

Often this can be done at a low acquisition cost because it does not necessitate the expense of building up of the conventional agency organization. A new company may have some bankers as stockholders and beginning with these it may make some banking

and finance company connections. Sometimes this can be done by mail and once such an appointment is consummated the business flows in automatically. There is, for example, no necessity for frequent agency trips, extended correspondence, discussions by mail over whether this, that or the other case is acceptable.

Not only that, but there is no necessity for boosting agency morale, holding agency meetings, making personal contacts in order to work with agents or general agents. A well-managed company writing credit life insurance only is usually able to operate at a low cost as compared with a company that writes all of its business through agents in the conventional way.

For these reasons credit life insurance is something of a temptation to a new company because through stockholders and friends it can establish sources of business. Banks, finance companies and small loan companies are not in the life insurance business in the usual sense. They want a connection that will provide their borrowers with life insurance, but they are often not as interested as they

should be in just what kind of a life insurance company it is that they are representing. A new company, in business for less than a year can come along with an offer of an extra 5% or 10% commission and the lending institution will switch to the higher commission company.

But it doesn't end there. Still another company will make a more liberal offer and again the lending institution will decide in favor of the higher commission. As a consequence, in many states there has been a scramble among the companies as regards commission payments until there are now many instances of companies paying definitely more in commission than the business is worth.

To many it seems strange that the insurance business, which is conducted on actuarial principles, is nevertheless infested with companies that will pay so much in commission as to preclude the possibility of a profit. The high commission paying companies try to persuade themselves that they will somehow make money in spite of excessive commissions because the mortality is so favorable on credit business, sometimes as low as 10%.

They know that most borrowers insured by credit companies are young people who are for the most part making a loan for the necessities of life such as a refrigerator, washer, dryer, dishwasher etc. The risk is of short duration, from 12 to 36 months and those of the younger ages produce a more favorable mortality experience than the borrowers of 50 or older.

Some companies that have specialized in credit life insurance over a long period of years and have made it their principal source of income are convinced that conditions in the credit writing field can be stabilized only by insurance commissioners placing a limitation amount of commission that is to be paid for credit business.

This would be an unprecedented action but because of what is happening in so many parts of the country the more conservative credit companies that take the business seriously believe that until some such action is taken the present commission war will not only continue but tend to get worse, mostly because the newly formed companies invading the credit field have the mistaken idea that the writing of credit business is going to lead them to the pot of gold.

Prudential Studying Sites for New Office

Sites in Ohio, Kentucky and Pennsylvania are being studied for a possible new Prudential regional home office, Charles W. Campbell, vice-president of the company's Jacksonville (Fla.) regional home office, has indicated.

Mr. Campbell said the establishment of a regional office is "on the drawing board" as part of the company's program of de-centralization. He said he could not estimate when the new office would open. He named Columbus, Cleveland, Cincinnati, Louisville and Pittsburgh as being under consideration.

The office would serve part of the area now handled by the Jacksonville office, and it would initially employ 1,000 people.

Mr. Campbell was in Columbus for the opening of a district office and the new Buckeye agency there.

California Life has been granted permission to operate in Alabama, Utah, Nevada and Arizona.

WHEW! . . .

Sure keeps a fellow on his toes nowadays,
doesn't it?

Family policies, weekly Ordinary, monthly Industrial, variable annuities, split dollars, small group, jumbo group.

And also just plain old-fashioned Life Insurance, of which we sell some.



THE
NATIONAL LIFE
AND ACCIDENT
INSURANCE COMPANY
HOME OFFICE - NASHVILLE, TENNESSEE

We're showing
this message
55,121,126 TIMES
... to talk-up
New York Life products!

Hard-working Advertisements

like this one will be seen by millions in *Life*, *Look*, *Saturday Evening Post*, *Collier's*, *Time*, *Newsweek*, *Town Journal*, *Better Homes & Gardens*, *Holiday*, *Atlantic Monthly*, *Harper's Magazine*, *The New Yorker*, *Sports Illustrated*—and other leading publications. They'll help stimulate even greater demand for New York Life policies.



THE ANSWER
for men who need
(but think they can't afford)
**at least \$10,000
more life insurance!**

New York Life's popular Whole Life policy protects your family at a low premium cost—builds high cash values fast!

Here's a policy that offers permanent life insurance in an "economy size package." Because the minimum amount is \$10,000, savings are possible which are passed along to you and make the premiums much lower than they would otherwise be. For a man of 35, for example, the annual premium for standard life insurance is only \$25.50 per \$1,000. And rates are correspondingly low for all ages.

Low as the premiums are, Whole Life builds up high cash values quickly—equal, in fact, to the full reserve after only seven years! These values are a source of ready cash available for emergencies.

Dividends payable on Whole Life can be used to reduce the premium payments. Or, you can allow dividends to accumulate. Or, you can increase the policy's cash value. Or, you can apply them under other available options. The low premiums, high cash values and dividends combine to make Whole Life unusually attractive.

If you have been telling yourself that you ought to have more life insurance to protect your family or your business—but have been putting it off because you think you can't afford it—ask your New York Life agent for all the facts about Whole Life, or mail the coupon below, today!

**NEW YORK LIFE
INSURANCE COMPANY**

THE NEW YORK LIFE AGENT IN YOUR COMMUNITY IS A GOOD MAN TO KNOW

New York Life Insurance Company
31 Madison Avenue
New York 10, N. Y.
(In Canada: 100 Bay Street, Toronto, Ontario)

Please forward me, without obligation, your booklet, "Measuring Your Family Security."

NAME _____
ADDRESS _____
CITY _____ STATE _____ ZIP _____

THE NEW YORK LIFE AGENT
IN YOUR COMMUNITY
IS A GOOD MAN TO **BE**
KNOW

NEW YORK LIFE
INSURANCE COMPANY

A MUTUAL COMPANY



FOUNDED IN 1845



Modern policies for modern needs include Life Insurance, Group Insurance, Accident and Sickness Insurance and Employee Pension Plans

Ohio State Life Agents Win Football Trip

Ohio State Life was host to more than 150 of its agents and their wives at a banquet in Columbus following the recent Ohio State-Indiana football game. This group was celebrating the largest two months' production in the company's history during the 1956 president's campaign in honor of President Frederick E. Jones. More elaborate trips were awarded to three top producers. Jacob A. Shawan, Columbus, leading senior personal producer during the campaign, and his wife

were awarded an all-expense-paid seven day holiday to Havana, Cuba. Lewis Lemley, also of Columbus, leading junior personal producer, and Michael Nassar, Pittsburgh, second highest senior personal producer, and their wives were awarded "weekends at the Waldorf."

Commercial Travelers of Salt Lake City has changed its name to Surety Life, effective March 1; increased its capitalization from \$150,000 to \$300,000; boosted the par value of outstanding capital stock from \$100 to \$200 a share, and plans to occupy its \$800,000 new home office on June 1.

Standard of Ore. Names Cole & Weber Agency

Advertising and promotion for Standard of Oregon will be handled by the Portland office of Cole & Weber beginning the first of the year.

Appointment of the new agency is in line with other recent changes which point to increased emphasis on sales. A substantial number of new supervisors and agents were appointed during the year to strengthen the field force.

Plans for the 1957 program are still in the discussion stage.

LAA Committees Plan Eastern Round Table March 28-29 at N. Y.

Committees have been appointed to make plans for the eastern round table of Life Advertisers Assn. to be held March 28-29 in New York City.

The committees were named by William C. Heimburg, manager of sales service of New York Life and chairman of the round table, who said they will draw up a unique program to attract a record gathering of eastern and Canadian LAA members.

The committees seek larger quarters than heretofore to accommodate the program being planned. The decision on a location for the meeting will be made soon. The eastern round table consists of 72 U. S. and Canadian companies represented by 187 individual LAA members.

The committees are Charles R. Corcoran, 2nd vice-president of Equitable Society, program and special events; William S. Weier, director of public information of Prudential, arrangements; John A. Buckley Jr., sales promotion director of Guardian Life, and Hugh C. Innes of the field service department of Manufacturers Life, promotion; Carl V. Cefola and John B. Brion, director and assistant director of publicity, respectively, of Mutual of New York, and A. A. Morison, sales promotion manager of Dominion Life, publicity; Goldie Dietel, publicity assistant of Equitable Society, and W. Forbes LeClair, public relations manager of North American Life of Toronto, registration; H. Bogert Farquhar, supervisor of production of Connecticut General, printed program, and Walter M. Harrison Jr., assistant manager of the public information and advertising department of Travelers, treasurer.

Estate Conserving Methods Told at Lansing Forum

Methods of conserving estates with a minimum of taxation was described by Charles B. McCaffrey, Northwestern Mutual of Milwaukee, at a People's Investment and Finance Forum in Lansing sponsored by the adult education division of the city's public schools. He was the final speaker at the seven-part forum which attracted 400 persons.

Mr. McCaffrey suggested leaving a spouse 50% of an estate in trust to eliminate heavy inheritance taxes and problems of management. He also recommended that employers look into the advantage of a "split-dollar" retirement plan, which, he said, could be financed by many firms from excess cash which corporations have sometimes allowed to lie idle. A 10-year plan, he said, is a good idea for parents to use to provide their children with higher education. He said \$15,000 worth of income property or securities would produce the needed money without any burden of gift taxes and the original investment would be returned to the parents after the 10-year term.

Ohio National Manager Addresses Grand Rapids GAs

Harold C. Brogan, central division manager for Ohio National Life at Lansing, and secretary-treasurer of the Michigan Assn. of Life Underwriters, addressed the Grand Rapids Life Managers & General Agents Assn. recently on "Legislation Affecting the Life Business in Michigan."

The Madison (Wis.) office of Metropolitan Life has moved into a new building recently completed at 1709 Monroe street. Emil H. Becker is manager of the agency, formerly located in the Gay building.

INTER-OFFICE

MEMO

DATE November 1, 1956

FROM Fred S. Sibley

TO Len Watson

SUBJECT Our New "\$25,000 Minimum Special Ordinary Life" Policy

Chester has just notified me that our new \$25,000 minimum Special Ordinary Life policy has been approved by both New York and Massachusetts. As you know, approvals were previously given by 23 other states. So please go ahead with your plans to promote it.

In my opinion, our Special is an exceptionally good one. We'll write it ages 10 through 70, men and women. It offers a guaranteed low level premium and a really low net cost. Smail, McDevitt and Chester can fill you in on the details. Condon will also be glad to throw you an idea or two.

We should make sure that such trade space you've scheduled features this plan. Go ahead too with the sales folder, rate card, brokers bulletin, envelope stuffer and publicity release. And if you can think of other outlets, go to it. It's one of the best in the business! Let's tell the trade about it.

F.S.S.

c.c. Smail, McDevitt
Chester, Condon

The Columbian National Life Insurance Company
Home Office: Boston, Massachusetts

I Am the Greatest Life Insurance Salesman In the World



I was never born.

I will never die.

I don't have to be trained.

I don't have a wife to get along with.

I never pull any fast ones.

I don't need a drawing account.

I don't need a commission.

I don't need a salary.

I hate money.

I am not lazy.

I do exactly what you tell me to do.

I speak the words you put in my mouth.

I work only for live employers.

I won't work for a dead one.

I am the machine that sells life insurance.

You never heard of me in the horse and buggy days.

But you are hearing from me now.

I am not a stunt or trick.

I am not a campaign.

I am the fundamentally new way to sell life insurance from now on.

I am the greatest sensation that ever came to life insurance.

I cause fabulous increases in sales.

40%.

80%.

200%.

I am the talking picture.

Sound slide-film.

If somebody offered you a fantastic increase in your sales you'd take it, wouldn't you?

Well, I'm offering.

Send your name on your letterhead and you'll get.

This is a live, fast moving proposition. ACTION!!!

O. J. McCLURE TALKING PICTURES

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EDITORIAL COMMENT

'Measure of a Man'

We like the new Institute of Life Insurance movie, *Measure of a Man*, because it has skillfully tackled the difficult theme of showing that a man's responsibility to his family consists of something more than surrounding them with material possessions and budgeting most of his income for the installment collectors.

The prevailing grasshopper attitude among the public seems to be that there'll always be plenty of money and jobs, so why worry about the hazards of death, sickness, accident, or old age? This is a tough attitude to fight but needs to be combatted if life insurance is to have the appeal that it should have for the family man.

We liked the bit about the jalopy the principal character was driving creating a favorable impression on his prospective employer rather than the reverse, because the reason for the old car was that the hero was taking care of more important obligations than keeping up with the Joneses in appearances or in the traffic-light sweepstakes. We hope that the time will come when the institution of life insurance and the companies individually will speak more plainly on this point. Only in this way will the underinsured breadwinner experience a feeling of insecurity rather than satisfaction when he contemplates his '57 automobile, his monster-screen television, or his needlessly costly house bought with money that should have gone to pay life insurance premiums.

If people had the same appreciation of the other fellow's life insurance before his death that they do after he has died, there'd be little trouble getting prospects to buy a lot more than they do now. When a family head dies, one of the first questions in the minds of his friends or neighbors is, How much life insurance did he have? If the possession of a late model car or any other evidence of conspicuous consumption caused people to wonder how much life insurance the owner has, the climate for the sale of adequate life insurance would be much more favorable. *Measure of a Man* is the kind of film that should set people's thinking in that direction.

And if they start thinking along those lines they're going to feel pretty uncomfortable about putting needless spending for material things ahead of taking care of the kind of family obligations that only life insurance will handle.

It's in the influence it has on sober-

ing up the public's attitude, on bringing some sense and some balance into the way that families spend their money that the great value of *Measure of a Man* lies. Not that the film lacks plugs for life insurance. They're there. They're subtle, it's true, but they are all the more effective for that. Effectiveness doesn't consist of belting people over the head with a half-hour commercial and leaving them feeling so resentful that their attitude toward life insurance is less receptive than before.

The references to life insurance are almost incidental. They are used to show how the life insurance owned by the main character is there as backstop even though he didn't always have to draw on it. There are probably life insurance men who will think the sales plugs should have been stronger. We disagree. The non-life-insurance people who'll be viewing this movie will be looking at it mainly as entertainment or at most as educational. Maybe it would be a good thing for them to get a strong dose of life insurance selling. But they won't take it. There's a hard-to-see but very definite line in these matters. Step over it and the picture does more harm than good.

We hope that *Measure of a Man* will be widely shown. It won't make the grasshopper-minded family head into responsible citizen in one sitting but nothing can be expected to do that. But it can give a lot of people a much needed push in the right direction. For some it may even be the deciding factor between seeing and stalling the next life insurance agent that calls.

PERSONALS

Alfred Rasmussen, training specialist of Mutual of New York, was among the panelists in the annual higher education conference of New York university. He discussed retirement planning and counseling services to business, industry and government.

Powell B. McHaney, president of General American Life, donned a chef's hat recently and served barbecues to St. Louis radio and television personalities. The informal luncheon was given in gratitude to radio and TV people who did spot announcements on the General American Life "Weatherball." The weatherball flash-

es color-coded weather forecast to a 10 mile radius from atop General American's 12-story building in St. Louis.

Arnold Berg, agency vice-president of Indianapolis Life, and **Richard Englehart**, Equitable Society, have been elected president and secretary, respectively, of the Indianapolis Alumni Assn. of Delta Tau Delta.

J. M. Barkes, vice-president of National Reserve Life of Topeka, met his 63 year old half-brother, Howard Barkes, for the first time recently. J. M. Barkes went to live with his uncle and aunt after his mother died when he was three months old. His father later remarried and of that union Howard and a twin, Homer, were born. The elder Mr. Barkes through the years did not see his brothers until in 1945, Homer, who lives in San Diego, paid Mr. Barkes a surprise visit. Howard's recent visit also came as a surprise.

Walter W. McGuire, San Francisco agency manager of Union Central Life, is heading a non-profit organization designed to assist top flight, high salaried executive and professional men who want to change their jobs or fields of endeavor. The organization, called Bay Area Manpower Clinic, meets twice a month in the head offices of Industrial Indemnity Co. in San Francisco.

DEATHS

ROBERT H. DENNY, 59, vice-president and a director of State Mutual Life, died unexpectedly of a heart attack. He entered life insurance in 1919 with the former L. A. Cerf Sr. agency of Mutual Benefit Life at New York becoming head of the agency's up-town branch when Mr. Cerf retired in 1928. Mr. Denny later joined the National Life of Vermont at New York, went to Cleveland as its associate general agent and returned to New York in 1936 as general agent of State Mutual, becoming director of agencies in 1939, superintendent of agencies in 1943, vice-president in 1946 and a director in 1953.



Robert H. Denny

WILLIAM L. MOSGROVE, 81, retired general agent for Bankers Life of Nebraska, died following an automobile accident near Milford, Neb. He had been with Bankers of Nebraska for 56 years.

EDWARD S. CHADWICK, 79, who has spent most of his life in insurance and investment business, died at his

home in Beverly Hills, Cal. He was vice-president of old Idaho State Life of Boise until it was reinsured by Occidental Life of California in 1925. Following the merger, Mr. Chadwick entered the investment business from which he retired several years ago.

R. E. MORROW, 59, business manager and vice-president of Rough Notes, died of a heart attack. He had been ill for a year. He joined Rough Notes in 1919 after overseas service in world war I. He handled all east-coast company advertising accounts for many years and was well known there.

NW. Nat'l. Has Record November Despite Fight for Independence

Northwestern National Life, in the thick of a fight to maintain its independence as a Minnesota-based company, just concluded its greatest November sales record in the company's 71-year history.

President John S. Pillsbury Jr. reported new business totaled \$14,434,960, exceeding November, 1955 by \$758,138. Earlier, the company's October sales had also set a new high for that month. New business for 1956 continues ahead of 1955, best previous year.

Control of Northwestern National is being sought by Great Southern Life of Houston. The Texas company is offering to buy Northwestern's capital stock for \$103.50 a share, contingent upon acquisition by Dec. 21 of 75% of the 220,000 shares outstanding.

A group of Minneapolis business men has made a counter proposal offering \$103.50 a share for up to 15,000 shares. This Minneapolis offer is open until Dec. 10.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co.
135 S. LaSalle St., Chicago, Dec. 4, 1956

	Previous	Current
Week's Bid Bid Asked		
Aetna Life	174	172 175
Beneficial Standard	16 1/2	16 1/2 16 1/2
Cal.-Western States	80	75 Bid
Colonial Life	98	94 99
Columbian National	70	72 75
Commonwealth Life	20 1/2	21 1/2 22 1/2
Connecticut General	241	250 253
Continental Assurance	118	120 123
Franklin Life	80 1/2	80 1/2 81
Great Southern Life	80	80 84
Gulf Life	29 1/2	31 31 1/2
Jefferson Standard	118	117 119
Kansas City Life	1125	1100 1125
Life & Casualty	22	21 1/2 22
Life Insurance Investors	13 1/2	13 1/2 14
Lincoln National	211	210 213
Missouri	29 1/2	30 Bid
National L. & A.	84	85 86 1/2
North American, Ill.	19	18 1/2 19 1/2
N.W. National Life	92	102 104
Ohio State Life	255	255 270
Old Line Life	60	58 61
Southland Life	90	89 93
Southwestern Life	95	93 97
Travelers	69 1/2	70 71
United, Ill.	21 1/2	20 3/4 21 1/2
U. S. Life	25 1/2	27 28
West Coast Life	46	45 1/2 47
Wisconsin National	50	51 55

THE NATIONAL UNDERWRITER

Life Insurance Edition
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SAN FRANCISCO 4, CAL.—582 Market St., Tel. Exbrook 2-3054. A. J. Wheeler, Pacific Coast Manager.

Tells Steps Used in Taking on LIAMA Development Plan

By DON A. GORSLINE

Details of the steps by which Equitable Society took on the new LIAMA agent development program and integrated it into its own highly-developed training course were explained by Don A. Gorsline, assistant supervisor of Equitable's unit manager training, during a panel discussion at the recent LIAMA annual meeting at Chicago. Here is an abridged version of Mr. Gorsline's remarks:

Shortly after the management development conference here last year we launched a new program of Equitable managerial development conferences. These conferences are conducted at the agency level for the managerial staff of one or two agencies having the same type of territory and agency philosophy. At each of these conferences, we treat only one segment of the manager's job. Thus the term "segment training."

Our first segment conferences deal entirely with the subject of training—training during the first 90 days our new salesman is under contract. This is training for which our unit managers are primarily responsible. It becomes the responsibility of our training division not only to furnish the necessary knowledge for our salesmen, but also to furnish our managers with the techniques and methods of training.

Our purpose of the segment on training conferences is twofold: First, to assist each agency in establishing an agency induction plan for their new salesmen—definitized and in writing to assure that our new salesmen get into early production. It is our firm belief that the new salesman who does not get into substantial early production rarely gets into production at all.

Second, to train our managerial force in the techniques of training—to train the trainer to train.

Since the agencies differ in their over-all philosophy, each agency is permitted to assemble its own agency induction plan. Minimum content is determined by home office policy, but the sequence of materials is determined within each agency operation depending upon the individual agency thinking and philosophy.

The agency induction plan must include the completion by correspondence of the license course and the basic courses, *Starting an Equitable Career* and *Career Sales Training*.

Our programing courses are conducted by home office instructors and are scheduled only after the completion of the agency induction plan.

Whether or not the knowledge is furnished through correspondence course study or through instructor-conducted courses, it becomes the prime responsibility of our unit managers to supply the training to convert this knowledge into successful field activity.

In the light of our company program, we then asked ourselves, "How could we at the Equitable most effectively make use of this new training material?"

To furnish it in mass to our entire managerial force would be entirely ineffective. It would be like handing the finest kit of mechanic's tools in the world to a business man and telling him to go out and repair his own automobile. All of the tools required might well be in the kit, but unless he knew how to use them individually and each for its purpose, they would be worthless in his hands.

Rather than introduce the agent development program through a company-wide distribution, we decided to introduce it at the agency level.

We have had the binders imprinted with the Equitable seal and have changed the color combination: red for our agent's workbook, blue for our trainer's guide, to distinguish the material for whom it is intended. Other than these external changes, however, we have not altered the content of the agent development program.

After carefully reviewing the content of the agent development program at each conference, we allow each agency to tie the agent development program into their own agency induction plan in the order which seems most appropriate for their needs.

In training our trainers to train and in the establishment of each agency induction plan, we have employed the techniques of job instructional training which were developed and proven so effective during World War II. We break each training task into its small parts and set them down on job breakdown worksheets or we call them training outlines. By following these training outlines, our managers are certain that the principles of job instructional training outlined in the *Trainer's Manual* are followed.

The principles which are a key part of the agent development program are the principles around which the program was built.

The LIAMA agent development program provides our trainers with 31 complete training outlines, a complete training outline on each of the important parts of our new salesman's job.

Our correspondence courses must of necessity present fundamental material in one fixed sequence. The agent development program, however, is designed on the basic premise that managers will wish to follow different sequences. Hence, it permits the completion of training units in any order that best meets individual agency requirements.

By having each major subject in a separate text, LIAMA has provided the trainer with concentrated study material on each subject as it is required. In the main, it is third-party endorsement of that which the new salesman has already received through correspondence study. It serves as a vital link to recall knowledge on the specific subject to be applied to field training.

Because our sales managers are basically salesmen rather than trainers, they are most receptive to the *Trainer's Guide*. In this *Trainer's Guide* our trainers are furnished with a complete format to follow for their training activity.

After each study assignment is completed, a complete training outline is furnished in the *Trainer's Guide* for the trainer to follow to assure that the new salesman receives the correct field experiences needed to fix the subject matter until it becomes habit for him. Through the material to be mastered section of each unit a second coverage of each topic is accomplished. When this material is tied to practical field activity through the projects accompanying each unit, a complete field training program is obtained.

Thus, for the present, we are weaving the agent development program into our own company training program. One of our very early projects, however, will be to write a section III

—Related Company Materials—for the training units—specifically tying our company material with each unit.

We considered the agent development program, however, such a complete addition for our field force, that we did not wish to defer its use until this material could be prepared. It will be the responsibility of our managerial force to knit our present material to this program through their agency induction plans until company material can be prepared.

Thus, through the agent develop-

ment program, the bridge between knowledge and training within our own training program is provided. The manager as a field trainer is provided with a program that can be knit into the individual agency program.

It is too early as yet to give a definite answer as to the effectiveness of this over-all program. However, judging from the reaction of our managers to date, there is no question but what a great contribution has been made to our entire field force, sales managers and salesmen alike.



potent sales aids get results for the man from Midland Mutual

complete, organized, effective program—Midland Mutual's hard-hitting promotion and advertising program is a valuable week-in, week-out production ally for the man in the field.

In every sales area, Midland Mutual offers practical, proven assistance. A complete direct mail service operated by the Home Office helps obtain prospects, build markets. Attention-getting letters are implemented with a system of planned repeat mailings.

The stock of production aids also includes tested point-of-sale kits for both Life and Accident and Sickness, newspaper ad mats and a long list of good will and specialty advertising items. A continuing incentive and recognition program fosters above-average agent performance. And, the Home Office provides field representatives with special services in preparing advertisements, exhibits, radio commercials, recruiting material and many other "tailored" promotional helps.

This kind of company support is an important key to successful agency-building at Midland Mutual. For details on the full program, write Charles E. Sherer, CLU, Vice President and Director of Agencies.



THE MIDLAND MUTUAL
LIFE INSURANCE COMPANY

256 East Broad Street, Columbus 16, Ohio

The areas where Midland Mutual desires to expand include agency building opportunities in: Arizona, Florida, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, Oregon, South Dakota, Wisconsin.

Agent Development Program of LIAMA Puts Stress on Training

By SAM G. SHACKELFORD

The agent development program of LIAMA was the subject of an extensive panel discussion at the recent LIAMA annual meeting at Chicago. How the program was evolved, what it is and what it should accomplish in speeding up the development of agents was explained by Sam G. Shackelford, LIAMA senior consultant. Following is an abridged version of his talks:

The first major point of concern in preparing the agent development program was to make certain that it provided effective materials to answer the needs of the trainer in administering the program.

A second principle that helped to guide us in preparing the agent development program was the fact that an education course is not enough.

Education is the process of absorbing usable knowledge. Training is the development of skill in the use of knowledge toward the objective of

making sales. Much which is called training is often only educational activity overstressed. Many men have been educated under the illusion that they were being trained.

In order to avoid any misconception as to the purpose or any wrong connotation, we have chosen the name agent development program, because it is not just a study course but far more than that as you will discover when you examine it.

Education or knowledge is vital, but it is only one facet of a training or development program. The necessary skills must be developed and good work habits must be formed on top of an adequate foundation of knowledge.

Another very significant reason why just a "study course" is not enough is that:

Many training problems are created when the interpretation and application of the material studied are left to the individual agent.

Many capable men have failed who just could not bridge the gap between concept and execution.

It has been claimed that the inability of the agent to convert the knowledge he receives from the educational course to a skillful demonstration of how life insurance can solve his prospects' problems is one of the great causes of agent failure.

Therefore, one of the most essential parts of any training program should be what the agent does—not what he reads.

Thus, the need for increased emphasis on field application both in the contents of the course and in the procedure for administering the program. For example, the agent should be assigned realistic and meaningful field projects directly related to his training material.

In addition to considering the needs of the trainer and eliminating the "study course concept," a third principle that helped guide us in preparing the agent development program was the belief that the study and development period should be spread out over a longer period of time.

There are many dangers involved in an overdose of study in the first few

weeks, followed by a vacuum of training in the later months of the agent's first year. This often results in the agent being denied valuable selling time initially. He is further denied the stimulus of training later on.

If the agent survives the first year, he will sometimes be graduated from initial training to LUTC or CLU, or a similar course with very little, if any, organized instruction in between. If production is stimulated when an agent participates in continuous training, then the absence of continuous training may well be one of the basic reasons for the third- or fourth-quarter production slump that too many new men experience.

But, perhaps a more consequential reason for spreading out the initial development period is the belief that a minimum number of subjects well taught and the skills in connection therewith well learned, is far better than a smattering of information over the whole gamut of life insurance principles, sales and underwriting practices. No one in the field of management wants to produce an agent who is the jack of all trades and master of none.

It is far better to proceed with the obvious and simple processes until they are mastered and then move on to the more complex than to introduce the agent into areas of education or training for which he has no need in his immediate future.

In general, agents should not be trained much in advance of problems which will arise in the immediate future. But, it must be recognized that markets follow knowledge and skill. The agent will find and work the better market only when he is prepared to handle it; only when he has the confidence that comes from knowledge and skill.

The element of concurrency in education and training is a far too frequently neglected concept. An agent needs to receive small, digestible portions of knowledge in the several areas of his development as well as digestible portions of training in the use of those knowledge elements on a concurrent basis.

This can only be done if the development program is spread out over a longer period of time. If this is not done, the time spent in education will be wasted because the knowledge will soon be forgotten and likewise the time spent in training will be wasted if the knowledge to back it up is not present.

The principle of related education and training is one requiring constant attention if we are to bring new agents along at maximum levels of production and in order that we may also achieve earliest possible maturity in the business.

In administering the training units in the agent development program, the objective is to give the agent a reasonable degree of mastery in each training area before he undertakes a new assignment. Mastery includes the knowledge, ability and willingness to use the newly acquired information. This takes time. Thus, 12 months might well be considered as "par for the course" in completing the 16 training units in the program.

Another fundamental principle that has been of concern to us in the preparation of the agent development program is the fact that individuals have varying degrees of receptivity and they should be treated accordingly.

You cannot assume that all agents

LIFE WITH PROVIDENT

Opportunity Unlimited

What kind of work appeals to young men? Good earnings, permanence, freedom, worthwhile service, future, specialization? What work, other than life insurance, offers such opportunities for a qualified young man? For example, last March a young man joined the Provident as a life insurance representative in a community of 3,600. After attending the home office Basic School, he produced \$385,000 of new business during the following seven months. This is only one of the many examples of the unlimited opportunities in life insurance selling for a man who combines proper training with personal ambition and intelligence.



PROVIDENT LIFE & ACCIDENT INSURANCE COMPANY
Chattanooga—Since 1887

LIFE ACCIDENT SICKNESS HOSPITAL SURGICAL MEDICAL

need the same training at the same time. Different men have different capacities for learning—varying needs for training, depending on their abilities, their markets and many other factors.

Individuals may approach a composite market initially, a specialized market initially, or a very elementary market. The type of training required to assist each individual to accomplish his field work, therefore, will vary.

As one manager recently stated: "Placing a man in an inflexible training program is like compelling him to wear a standard-size suit. It just won't fit. It is often necessary to tailor the suit to fit the man."

But, it is easier and more effective to give the individualized attention within the framework of a standardized training process than in a training procedure on a "catch-as-catch-can" basis.

In connection with the need for flexibility in a training program, it seems obvious that we can expect our agents to assimilate and use only a limited amount of the ideas they are exposed to initially. Therefore, there should be some way to go back over these ideas so that they can become a part of his procedure.

The program should not only be flexible, but should be designed so that segments of the program can be used intelligently in retraining an agent on fundamentals.

We provided for this need in the agent development program, as well as considering the varying training needs of different agents, agencies and companies. Training units can be used in the order that fits your needs and objectives.

And finally, two other objectives that guided us in the preparation of the agent development program.

First, to deal with the needed integration of all the training materials. The tools used in training the new man usually include study courses, sales materials, visual aids, work organization and planning tools. If each of these items is treated as an entity in itself rather than integrated into an over-all program, some worth-while material is often slighted or overlooked completely. The result: an unorganized training procedure.

And the last objective or principle I would like to mention here is that of teaching agents to think for themselves. Often the process of completing questions on study materials involves merely copying certain points from the pages of the text.

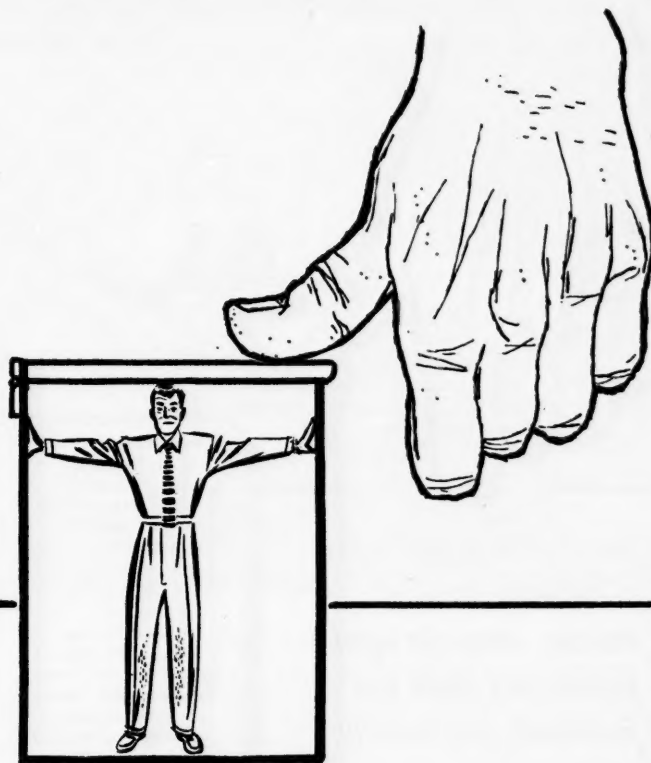
Interpreting, analyzing and making realistic plans for the use of material are not required, because the training projects and questionnaires were not designed with the problems and objectives of adult training in mind. In many cases the objective has been merely to design something that insures that the material has been read.

Rather, the training process should be concentrated on teaching the agent how to think for himself—how to convert the raw materials of prospecting situations and life insurance into an effective sales interview.

The complete program consists of three sections: (1) 16 agent textbooks; (2) *Agent Development Workbook* for use with these texts; (3) the *Trainer's Guide*.

The text material for the agent consists of selected LIAMA publications in the four areas of the agent's job: Developing life insurance knowledge and concepts; developing prospecting and marketing skills; developing skill

(CONTINUED ON PAGE 22)



FEEL CRAMPED?

**WANT OUT? NEED ROOM TO GROW?
HERE'S GROUND FLOOR OPPORTUNITY**

If you are interested in action . . . new production heights . . . greater income — you'll find the answer in Central Standard Life's "from now on" expansion program.

General Agency opportunities in very favorable territories . . . new agency contracts with life-time vested renewals . . . tested selling aids. It will "pay" to . . .

Write, phone or wire C. L. Gsell, Agency Vice President

CENTRAL STANDARD LIFE

Founded 1905

INSURANCE COMPANY

211 W. Wacker Drive

Chicago 6

No. 7 OF A SERIES

The Invisible Contract



THE COMPANY shall, after a reasonable period of training, review the agent's progress and advise him forthrightly and honestly whether his record warrants further expenditure of his time and ours.

* In selecting and training the new agent, we believe that the Company's responsibility must go much further than the printed terms of its contract. In fairness to the agent . . . the Company . . . the insurance business itself . . . we must assure the new agent every possible chance of success. In this series of messages, we present a few of what we consider to be our inescapable obligations under this "invisible contract".

Three months is an incident in a man's business experience. Three years can be a catastrophe.

If, after a reasonable period of training, it appears that the new agent's future success is doubtful due to causes which cannot be corrected through training, supervision, and counsel . . . he is advised frankly and sympathetically, "Up to now this has been an incident. Let's not make it a catastrophe." This friendly advice comes from the heart . . . for it's his future that is important . . . and life insurance is not always the ideal career for a man, regardless of his capabilities.

California-Western States Life Insurance Company

HOME OFFICE: SACRAMENTO



Beginner? . . . or Twenty-Year Man? YOUR TRAINING IS CONTINUOUS when you're a Modern Woodmen Agent

Ask any Modern Woodmen Agent . . . new man or veteran . . . he'll tell you of a continuous training program which makes for a profitable career.

He'll tell you about Modern Woodmen's basic training in the office . . . how this is immediately followed by on-the-job training with actual sales interviews with a successful, experienced sales manager.

He'll tell you about Home Office advanced training, which thoroughly schools the Modern Woodmen Agent in the principles, uses and applications of life insurance.

He'll tell you that this training . . . on the job and in the office . . . is directed

by capable personnel who have mastered every phase of life insurance selling . . . men who keep abreast of the latest developments in the industry.

Increased earnings and the opportunity to "get ahead" are built into the future of the Modern Woodmen Agent. If you want a career with a future . . . one that gives opportunity to use your talents to the fullest . . . there's a place for you at Modern Woodmen.



**MODERN
WOODMEN**
OF AMERICA

Life Insurance Since 1883
Home Office Rock Island, Ill.

Report Good Results with Pre-Authorized Checks for Premiums

Generally favorable results with the pre-authorized check plan of paying life insurance premiums was reported during the informal discussion at the recent Society of Actuaries annual meeting at White Sulphur Springs, W. Va.

J. F. Ryan, New York Life, said his company's pre-authorized check plan, introduced four months ago in three states and since extended to 12 more states, has brought a good quality of business. The plan is scheduled for introduction in the rest of the states by the end of the year. The co-operation of the banks is essential to success and forms and procedures enable the banks to handle checks at the same or low errates, he said. The bank is indemnified against certain losses. Almost 95% of the banks approached have accepted the plan without special handling charges and without New York Life bank deposits. Less than 1½% of checks deposited remain unpaid. Anticipated savings in collection costs justify use of one-sixth of the semi-annual rate.

R. M. Sellers, Commonwealth, described a similar plan in use since 1952 which accounts for more than half of all ordinary sales. A vigorous program for upgrading business is required. Change to another method is required where a second check is returned within 12 months. First-year lapse rates by volume were given. Experience was slightly higher than for annual but better than for other modes. Ordinary sales have increased by 69% but many other factors have contributed. This program has been particularly effective in indoctrinating new agents.

W. E. Lewis, Lincoln National, and J. A. Livingston, Liberty National, warned against using the system for other items such as mortgage loans until it has been fully developed for monthly life insurance premiums.

J. J. Marcus, Prudential, stated that his company was unable to gauge the success of the plan since it was adopted only six months ago. The average premium for business on this plan exceeded the average premium for other monthly business.

H. G. Eimers, Washington National,

stated that approximately 5% of its checks had been returned and that half of those had been honored when re-deposited but emphasized that the company's experience had been brief.

FRATERNALS

W. O. W. President Sees More Money Available

The shortage of money will be eased in the next year or two to a point nearly equal with demand, Howard M. Lundgren, president Woodman of the World, Omaha, told the Omaha Real Estate Board.

Factors that should bring about this change, Mr. Lundgren said, are the rapid growth of life company funds as well as experience which has shown that life company surpluses double every 10 years in periods of normal business activity, and the fantastic growth of pension funds which will supply a tremendous amount of investable money within the next five years.

"In his first statement following reelection, President Eisenhower referred to the ideals of his party as representing 'modern Republicanism.' It seems to me that there was an inference in his statement that the conservative element of the party will have less to say about its affairs during the next four years. The result of this might well be that the government may be found participating in a wider range of activities which would involve the use of federal funds," he predicted.

If this is the case, Mr. Lundgren said there will be pressure to keep the money rates easy in order to do necessary financing readily. He cited agitation among Congressmen and views expressed by persons formerly with the Federal Reserve system who felt that the present hard money policy is injurious to certain segments of business activity, notably among smaller business enterprises, and that there is a need for coordination of regulation between the Federal Reserve and other government bureaus. "These statements also indicate, it seems to me, a possibility of easier money, at least in some areas of our economy," he said.

LOMA certificates have been presented to four home office employees of Maccabees. They are Alexander Ritchie, Miss Lenore Houghton, Joseph Shedlock and Stuart Micklethwaite.

Aetna Agent at Toledo Writes App-a-Week for Nearly 20 Years

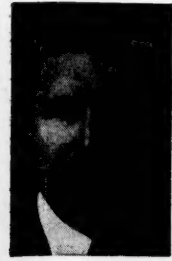
William G. Adams of Hill & Associates agency of Aetna Life at Toledo has written at least one application a week for 1,000 weeks, which is a steady production record for 19½ years. He is the only Aetna agent to attain this achievement. Mr. Adams, who has been with the Hill agency since 1935, was presented with a trophy clock to signalize his achievement.

Mass. Mutual Management School

Massachusetts Mutual held a 1-week agency management school at the home office for 34 members of its field force. Speakers included President Leland J. Kalmbach, Vice-presidents Charles H. Schaaff and Michael Marchese. The course, supervised by James R. Martin, director of agencies, covered recruiting, selection, training, supervision and public relations.

New Mortality Table Discussed at Society of Actuaries Meeting

The proposed new mortality table, tentatively labeled X-17, was discussed in some detail at the annual meeting of Society of Actuaries at White Sulphur Springs, W. Va.



Alfred N. Guertin

Alfred N. Guertin, actuary of American Life Convention and chairman of the special committee of the society appointed to work up a new table, outlined the reasons for the appointment of the committee and the work done by the committee to date.

Henry F. Rood, Lincoln National, vice-chairman of the committee, explained the reasoning behind the development of the new basic mortality table. He also gave the thinking that went into deciding on the margins necessary in the several valuation mortality tables that were derived from it.

James T. Phillips, New York Life, described the technical operations performed and the details of the computations of the latest two tables X-14 and X-17. He explained that the committee had finally replaced the original table X-14 by table X-17 in order to give larger margins at the important middle ages.

James E. Hoskins, Travelers, gave the characteristics of the new X-17 table. He said that it followed the pattern of the basic table with margins for conservatism for valuation purposes.

W. H. Bittel, New Jersey department, a member of the society committee as well as chairman of the National Assn. of Insurance Commissioners committee, said that the X-17 table is a good valuation table. He discussed the principles that should be followed in determining the margins in a table to be used for premiums and non-forfeiture values.

Norman M. Hughes, National Life & Accident, advocated adherence to the principle in the standard legislation that separate mortality bases be permitted for premiums, reserves and non-forfeiture values.

Allen L. Mayerson of the Michigan University staff compared the X-17 table to the latest mortality reports of the society. He feels the younger ages may have been loaded too much, compared to population mortality.

E. Forrest Estes, Bankers Life of Nebraska, believes there is a need for a new mortality standard but pointed out the large expense to small companies of changing rate manuals, policy forms, etc. He said that the new table should be used only as a legal yardstick for measuring adequacy of reserves and should not necessitate a change in premiums or non-forfeiture values. Mr. Hoskins, in replying for the committee, said they did not feel it was the committee's duty to propose changes in legislation but to merely develop a table for consideration of the insurance commissioners.

There was also discussed the relationship of the reserves according to the X-17 table with the CSO table as compared with the relationship between table Z and the American Experience reserves.

George H. Davis, Life Insurance

Assn. of America, stated that possible further improvement in mortality might result in the new table's solving the deficiency reserve problem only temporarily. He said the question of deficiency reserve statutes should be also considered on a basis that would solve the problem permanently.

Society of Actuaries Must Control Conduct of Members: Anderson

It is imperative that Society of Actuaries move into a position where it has the power to control the professional conduct of its own membership and adequate machinery to exercise its control whenever necessary, according to William M. Anderson, who expressed this conviction in his presidential address at the society's recent meeting at White Sulphur Springs, W. Va.



Wm. M. Anderson

Mr. Anderson, who is president of North American Life of Toronto, said that such a course seems to be the only way of avoiding a system of jurisdictional licensing and control, which would be a highly undesirable development.

Mr. Anderson pointed out that in other professions, such as medicine, law, or accounting, the typical member works only in one jurisdiction, whereas many actuaries, perhaps partly because there are relatively few of them, engage in activities in a number of states and provinces, as well as internationally in the U. S. and Canada.

"In these circumstances," he said, "one must conclude that any state and provincial system of licensing and regulation of actuaries would impose an intolerable and costly burden upon our profession. However, within the past year it has become apparent that there is considerable prospect of widespread legislation in the field of welfare fund regulation and other matters which will require the use of the services of actuaries for adequate implementation.

"Under these circumstances, methods of defining qualified actuaries will be imperative. By analogy with the other professions, the obvious method would be to use licensing and control (or self-control by the licensed profession itself, under statutory authority). From our point of view, this would be a most unsatisfactory development. In the alternative our course of action must be such as to establish the point of view that direct recognition of fellowship (or in some cases associateship) in the Society of Actuaries may be relied upon in determining who is a qualified actuary for purposes required by legislation.

"However, it is not sufficient for us to so establish our qualifications. We must also place ourselves in the position of being able to control the actions of our members in the same manner that control exists in the case of other professions subject to the licensing laws."

Mr. Anderson said that if the society has power over the professional conduct of its members, it would appear to be highly desirable that the

(CONTINUED ON PAGE 24)

Newest Monument in the City of Monuments



This new Atlantic Life Home Office will soon rise in the heart of Richmond... an enduring tribute to our field representatives. For to them belongs the major credit for our fine, ten-year record of growth.

Back in 1946, with \$175,000,000 insurance in force, half of our present ten-story building was space enough to meet our needs. Today, with the total over the \$380,000,000 mark, we have reached the limit of the building's capacity. That is why we are getting ready to lay the cornerstone for Atlantic's spacious new Home Office Building.

It will give needed growing room for all our divisions—Ordinary, Weekly Premium, Accident and Sickness. From it will come new services—as modern as this new building—to keep our representatives abreast of the changing needs of the insuring public.

Atlantic Life INSURANCE COMPANY
RICHMOND, VIRGINIA

ACROSS THE NATION



The experience and resources of the Sun Life of Canada are readily available in communities throughout North America to those seeking individual or family security through the sure way of life insurance.

Branch offices in 41 states, the District of Columbia and Hawaii, and from coast to coast in Canada.

Insurance in force—\$6½ billion.

SUN LIFE ASSURANCE COMPANY
WORLD WIDE SERVICE OF CANADA HEAD OFFICE MONTREAL

that steps be taken in 1-2-3-4 order. It can be individualized for your company.

Obviously, the agent development program is not a foolproof system of training and supervision. The key will always be how the trainer uses the program. But we have tried to make his job more specific by providing him with an organized "track to run on" in developing agents.

What you do about the agent development program is up to you. We realize that a lot of things developed by LIAMA may not meet one of your special needs of the moment. We recognize that sometimes things get put on the shelf—that they don't apply. But education and training in the life insurance business never ceases. Our business, our market, our climate for sales, our agents and their supervising field management are constantly changing.

In the light of this, a final training principle and perhaps one of the most important, is that management in its responsibility for education and training is never static, but always dynamic in manner, approach, and treatment.

We suggest that you at least examine the agent development program carefully to see if it isn't the answer to some of your training needs.

Additional 1957 Dividend Action Announced by Companies

Name of Company	Current Policies	Old Policies	Funds Left with Company			Name of Company	Current Policies	Old Policies	Funds Left with Company		
			Non-withdrawable %	Withdrawable %	Accum. Div'ds. %				Non-withdrawable %	Withdrawable %	Accum. Div'ds. %
American Mut., Ia.	Approx. 15% Incr.	Approx. 15% Incr.	3	3	3.25	Massachusetts Mut.	Same as '56	Same as '56	3.25	3.25	3.25
Cont. Amer., Del.	Same as '56	Same as '56	3	3	3	National Cas. & Life	Same as '56	(q)	2.5	2	3.5
	(k)					Occidental, Cal.	"	Same as '56	Guaranteed	Rate	3
Country Life	Approx. 20% Incr.	Approx. 20% Incr.	3	2.5	3	Southwest Reserve	(r)		3	2.5	2.5
Detroit Mutual	Same as '56	Same as '56	3	2	2	Union Central	Same as '56	Same as '56	3	3	3
Farmers Life, Ia.	"	"	3	2	2		(p)		2.5	2	3
Gov't Personnel	"	"	2.5	2.5	3	West Coast Life	"	Same as '56			
Home Life, N. Y.	(n)	Approx. 15% Incr.	3	3	3	(k) Except 5 and 10 year term increased.					
John Hancock	3.2% Incr.	8.1% Incr.	3.125	3.125	3.125	(n) New scale applicable to new rates.					
Manufacturers Life	Increased	Increased	3	3	3	(p) Except for slight increase on 3.5% policies.					
						(q) With modifications under which accidental death benefit and life income options now participate. Dividends increased under premium-paying executive protection policies on female lives.					
						(r) To March 12, 1957.					

Expresses Hope for Complete Rewriting of N. Y.'s Sec. 213

Hope that there will be a complete rewriting of section 213, New York's expense limitation statute, so that the law will accomplish its objectives with a minimum of unnecessary controls was expressed by Daniel J. Lyons, administrative vice-president of Guardian Life, at the annual meeting of Society of Actuaries at White Sulphur Springs, W. Va.

In a discussion of a paper presented by Allen L. Mayerson of University of Virginia, formerly with the New York department, Mr. Lyons listed some of the complexities of section 213 as it now reads.

George Davis, associate actuary of Life Insurance Assn. of America, said many of the complications of the statute have resulted from amendments designed to give the statute greater flexibility to meet the needs of the life insurance business. He said that while the 1953 and 1954 amendments to the statute were timely and needed, it is too soon to know if they fully meet the requirements. He gave figures showing that the proportion of total business written by companies authorized in New York has decreased substantially in recent years.

C. F. B. Richardson, associate actuary of Mutual of New York, stated that the requirement that a company operating in New York must observe New York expense limitations in connection with business in foreign countries effectively prevents New York companies from operating abroad. He feels this is not a desirable situation.

Life Benefits Growing Faster in South, West

Life policy benefits going to the south and west have been increasing at a much more rapid pace than in the rest of the country, Institute of Life Insurance reports.

Last year's benefit payments to policyholders in southern and western states were 60% greater than in 1950 while they were 38% greater in the rest of the country. The increase since 1940 in death benefits alone in the south and west was nearly 175% compared to 107% for the rest of the country. Life insurance owned by families of the southwest and west was up 350% from 1940, while it was up nearly 300% in the southeast and south central, compared to 182% for the rest of the country. Life insurance investments in the south and west were up 300% since 1940.

Efforts to Raise Living Standards

Outstrip Economic Growth: Burnett
President T. S. Burnett of Pacific Mutual Life, in a talk to a joint meeting of Los Angeles Life Managers Assn. and the Chamber of Commerce

life insurance committee, said people have been trying to improve their living standards at a rate faster than savings and economic growth will permit.

The turnover of demand deposits is at a record high of 22 times a year, while requests for capital and credit are running at 30% of growth. While increased savings have been discouraged by low interest rates, higher taxes and inflation, he said, programs to utilize savings have grown by leaps and bounds.

Columbus Mutual Resolves First Step Toward Merger

Stockholders of Columbus Mutual Life have approved a resolution authorizing revision of the articles of incorporation, in the first legal step toward eventual merger of the company with Ohio State Life. Although consolidation of the two companies may require three to four years, it was hoped the amended articles of incorporation may be ready for a vote of stockholders in the spring of 1957.

AMERICAN MUTUAL LIFE
DES MOINES, IOWA

general agencies available in
**Michigan
Illinois
Texas
Missouri
Kansas**

a general agency company with over
\$200,000,000
in force and
\$50,000,000
in assets

featuring the
All-American
career contract
write
H. S. McCONACHIE
vice president

Service Guide

ACTUARIAL COMPUTING SERVICE, INC.



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NOW - DOUBLE INCOME DISABILITY

People looking for life insurance combined in just the right proportions with guaranteed renewable disability income insurance will find it today in Occidental's broadened Income Disability clause for life plans.

Now they can buy as much as \$20 per month total disability income per \$1,000 in amounts as high as \$500 per month. Yes, that means \$200 per month disability income on \$10,000 if they want it. Or \$500 on \$25,000.

It is still available on most Term plans as well as Life and Endowment; still contains only a 4-month waiting period; still guarantees renewal to age 60 (males); still pays disability income for life on many plans, reducing to half the original monthly income at age 60, and the policy still pays the face amount promised at death following disability!

"A Star in the West..." ☆



Occidental Life
INSURANCE COMPANY OF CALIFORNIA

HOME OFFICE: Los Angeles
W. B. STANNARD, Vice President

"WE PAY AGENTS LIFETIME RENEWALS . . . THEY LAST AS LONG AS YOU DO!"

Tell NAIC of Efforts to Fight FTC Cases

(CONTINUED FROM PAGE 8) everything you've got," saying that the very reason everyone agrees that the domiciliary state should act is the basis for all states to come in. The court could say in the National Casualty case, Mr. Moser declared, that only Michigan has filed a brief, and yet the company is licensed in 30 other states—aren't those other states interested?

Mr. Moser said the best attack is



"They say my husband really rates with Pacific Mutual"

says Elnora Robinson, wife of Al Robinson (Malcolm C. White Agency, Oklahoma City)

"And that gives me a lift too! The truth is, Al was a successful salesman long before he thought of a life insurance career. But it's the recognition he receives now that makes us both feel we really began to live on the day he started with Pacific Mutual four years ago."

Elnora Robinson has accompanied her husband to three Big Tree Top Star Conferences and two Pacific Mutual National Conventions.



Pacific Mutual
LIFE INSURANCE COMPANY

PACIFIC MUTUAL BUILDING
LOS ANGELES 14, CALIF.

LIFE • ACCIDENT & SICKNESS
RETIREMENT PLANS
GROUP INSURANCE

one brief signed by all 48 states, and he said it would not foreclose other circuit courts. The next best plan is every state in which the company does business, and the third best is the states in the circuit. Every state in which the company is writing business has as much interest in the case as the states in the circuit, he added.

This is an all important question, Mr. Moser continued, and the courts would welcome an all-out approach to it. He said he hoped there won't be a piecemeal approach, "picking off one court at a time."

The sixth circuit court, where the National Casualty case will be tried, offers an excellent atmosphere for amicus curiae briefs, John Panchuk of Federal Life & Casualty said. Mr. Panchuk remarked that he was impressed by Mr. Moser's statement.

Raymond Berry pointed out that the National Casualty case involves radio advertising, which is lacking in the American Hospital case. He suggested the commissioners should consider trying to get briefs from the states in which the advertising was received in order to negate the idea that these states lacked interest. He noted that the time to get ready for the inevitable Supreme Court test of the issue is now, with as many of the 48 states taking up the fight as possible.

Ray Murphy said he was inclined to agree with Mr. Moser's point of view. He observed that Mr. McConnell had earlier remarked that Justice Vinson of the Supreme Court commented in a Louisiana oil case that the Louisiana attorney general had not filed a brief, indicating a lack of concern on the part of the state. If less than 48 states take part in opposing the FTC position, Mr. Murphy said, it could indicate there is less than unanimity of opinion. There is nothing to be lost by a united front and perhaps a great deal to be gained by making state indignation known, he said.

Knowlton of New Hampshire commented that the commissioners should not leave the question as to the manner the briefs are filed to the attorney general of the domiciliary state. The control should be held in NAIC. The attorneys general may be perfectly capable of filing good briefs, he said, but lack background, or they might underestimate the issue. NAIC should give assistance all down the line.

Actuaries Must Control Conduct of Members

(CONTINUED FROM PAGE 21)

process of control be accompanied by a set of guides to professional conduct so that the members may be aware of the society's views regarding the philosophy of control which it contemplates.

"Fortunately, if we are to control ourselves of our own volition, we may not need to contemplate a rigid code to which all members subscribe and of the character which has developed in the case of the other professions as a consequence of statutory control," he pointed out.

Mr. Anderson warned that "the society can suffer grievously in its public relations and prestige if it does not place itself in a position where it can deal adequately with problems relating to the professional conduct of its members. He said that apart from a set of guides to professional conduct, the society also requires a broadening of its statement of purpose and a more

realistic set of procedures for the investigation and disposition of problems relating to professional conduct. In this connection he expressed his appreciation of the way in which the committee on professional conduct has approached the problems confronting it.

Touching on the rapidly developing science of operations research, Mr. Anderson opined that actuaries should be giving it active and continuing attention. As a possible first step he suggested preparation of a selected bibliography for the use of actuaries who may be interested in operations research.

Discussing local and regional actuarial clubs, Mr. Anderson said he felt it desirable for the society to offer encouragement to these organizations but expressed the "strong conviction" that it is preferable for these special groups to be formed on their own initiative and on an autonomous basis rather than having them come within the area of the society's responsibilities.

Mass. Mutual Revises Dividend Scale for '57

Massachusetts Mutual has made three changes in the 1957 dividend schedule for ordinary policies. Interest on dividend accumulations and settlement options not involving life contingencies will continue to be credited at 3 1/4% per year.

Income dividends will be payable in connection with matured retirement income and retirement annuity policies issued since May 1, 1943, and life settlement options payable under policies issued since May 1, 1943. The income dividend will be payable with each life income installment in 1957 during the lifetime of the person on whose life the income is based whether installments are stipulated or not.

Dividends payable in 1957 under executive protection policies that are in force on women on a premium-paying basis will be higher than the dividends payable under comparable policies on men.

Practically all premium-paying accidental death benefit provisions issued or attached prior to May 21, 1956, will receive a dividend credit during 1957 which will be added to the annual dividend under the basic policy. The total dividend, including any amount due to an accidental death benefit provision, will be applied in accordance with the policy dividend option in effect.

Milwaukee Life & Trust Council Hear 'Split Dollar' Discussion

A panel discussion on "Split Dollar Insurance" was held at the November meeting of the Milwaukee Life Insurance and Trust Council at the Milwaukee Club. Participants were William H. Pryor, Connecticut Mutual, Richard L. Greene, of Whyte, Hirschboeck & Minehan law firm, and Thomas A. Moore, Marine National Exchange bank.

To Reinsure Ft. Worth Company

Preferred Life of Dallas has agreed to reinsure policyholders of Provident American Life of Fort Worth. The Texas department has approved the reinsurance agreement and Provident American policyholders have been notified.

GORDON W. THOMPSON, 49, assistant actuary and tabulating division manager of Acacia, died in Arlington, Va., hospital after a long illness. He joined Acacia in 1934. He was past president of Middle Atlantic Actuarial Club and former vice-president of Insurance Accounting & Statistical Assn.

Merged Piedmont Life Reelects Bridges Head

Directors of the newly-merged Piedmont Life of Atlanta and Piedmont Corp. of Delaware have reelected S. Russell Bridges Jr. of Atlanta president. H. Smith Richardson was named chairman and Donald B. Woodward, formerly an officer of Mutual of New York, was elected finance committee chairman. All other officers of the life company were reelected.

Union Labor Life has been licensed to write life and A&S in Washington, bringing to 22 states and the District of Columbia the total area in which the company has been admitted.

**\$34.60 to
\$65.00 for
\$10,000 with Waiver!**

— that's the Annual Premium range for

SECURITY-CONNECTICUT DECREASING TERM

taken at ages 25 and 35 respectively. All 5 plans (10, 15, 20, 25 & 30 year) fall within this range at such issue-ages.

Each plan may be written as early as age 15, to carry as late as age 70, with full right to non-medical conversion of any remainder prior to age 60. This includes conversion of the Disability Premium Waiver, which is on a 4 month retroactive basis.

No other life coverage is more flexible and economical for mortgage purposes, or for any family or business obligation of a steadily diminishing nature.

Perhaps you should inquire about this — and some of our other "specials" — right now?

SECURITY-CONNECTICUT LIFE Insurance Company

New Haven, Conn.

PETER J. BERRY
President

G. ALBERT LAWTON, C.L.U.
Executive Vice-President



PARENT
COMPANY
FOUNDED 1841



**BANK LOANS
ON VESTED
RENEWALS**

THREE OR FOUR
YEAR REPAYMENT

UNDERWRITERS CREDIT & GUARANTY CORPORATION

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Urge Better PR Job to Attract Men to Actuarial Careers

The need for a better public relations job aimed at attracting promising candidates into actuarial work came in for discussion at the recent annual meeting of the Society of Actuaries at White Sulphur Springs, W. Va.

Peter Hondorp, Continental Assurance, stressed the importance of public relations in enhancing the value of the actuarial profession among the younger actuaries who are already embarked on an actuarial career.

The chairman, W. L. Grace, Massachusetts Mutual, said more than half of the society membership had qualified in the last 10 years and the younger members form an important group which would be of great use to the society.

I. S. Wolfson, Massachusetts Mutual, mentioned the need for a better understanding by the general public of the functions of an actuary and explained how a public relations program directed by an expert might fulfill that need. Mr. Wolfson was critical of the form of program at society meetings.

"The days when an actuary was concerned with all phases of his profession are now past," he said, adding that the general nature of the meetings results in much boredom for the specialists.

R. J. Randall, Teachers Insurance & Annuity, said that the younger members could be of great use to the society by expressing their desire to serve on committees.

H. J. Brownlee, Prudential, suggested that the younger members keep in touch with their colleges as an aid to the recruiting of students.

I. M. Charlton, Monumental Life, suggested that oral examinations be substituted for some of the written examinations.

R. H. Hoskins, John Hancock, mentioned that the education of the younger actuary could be improved by his working on committees, leading a study group and presenting and discussing papers. He suggested that the society might appoint a committee on continuing actuarial education.

P. T. Rotter, Mutual Benefit Life, expressed a feeling of concern that some of the younger members expected the society to be responsible for all phases of the actuary's business training.

H. G. Letwin, Massachusetts Mutual suggested that the examination subjects be rearranged so that an associate would be qualified to act as a consulting actuary.

J. E. Smith, Connecticut Mutual, W. D. Berg, Mutual of New York and P. M. Thexton of Union Central, all opined that the examination standards are too high.

R. G. Espie, Aetna Life, defended the society's examination standards and syllabus but suggested that the companies are perhaps creating their own shortage of actuaries by assigning them to non-technical and executive duties.

W. J. Taylor, Massachusetts Mutual, presented the results of a comprehensive survey he made comparing the actuary's prospects with those of other professions.

K. D. Mitchem, Metropolitan Life, suggested ways in which the younger members would assist the society. He

feels that the actuary's opportunities are excellent in spite of the starting salary being perhaps non-competitive with some other professions.

J. J. Bagshaw of Towers, Perrin, Forster & Crosby, Inc., said it is important to recruit men to the profession at an early stage of their academic training.

M. D. Miller, Equitable Society, replied to the criticisms voiced by some of the younger members. The examination committee maintains a constant scrutiny on examination and education procedure and welcomes all suggestions. The near future will show changes and improvements in the society's functions, including the fields of public relations, recruiting and further education of the actuary.

Ill. Gov. Stratton Mum on Whether He'll Keep His Insurance Director

A peeved Gov. Stratton of Illinois resorted to a brief display of table pounding recently at a press interview in Springfield when persistent newspaper reporters asked him a series of questions involving his controversial insurance director, Justin T. McCarthy.

Showing his annoyance, Mr. Stratton said he was getting "peeved" about queries relating to the insurance department. The Illinois department has been under fire recently, with several leading newspapers in Illinois and St. Louis claiming that it cost as high as \$5,000 for out-of-state companies to get a license to operate in Illinois.

Mr. Stratton sidestepped this question: "Are you satisfied with the operation of the insurance department?" He replied that there would be no announcements of appointments to administrative posts until they are sent to the Illinois senate for confirmation in January.

The two-year term of all department directors in Illinois will be up in January and the governor made it clear that he will not announce in advance of that time whether he intends keeping Mr. McCarthy.

One reporter told Gov. Stratton that he had been trying since last Sept. 6 to contact Mr. McCarthy. The governor replied, "I haven't had any trouble seeing him."

The governor did say that he has not asked for any resignations from his official family yet. He added that "undoubtedly there will be some changes," but indicated these will be voluntary on the part of some top job holders who want to get back to private business.

Footings of \$3.5 Million Aetna Life Wing Poured

Extensive foundation work is nearing completion on the \$3.5 million addition to Aetna Life's main home office building in Hartford.

About 70 various sized columns extending to a depth of 50 feet below ground level are being poured around the area to match the foundation of the main building, built some 25 years ago. The new wing will be 175 feet long and 125 feet wide. It will connect to the south side of the existing four story structure.

Wells of Guardian Life Named to Rough Notes Post

John D. Wells, manager, Guardian Life, Omaha, has been named business manager of *The Insurance Salesman* and *Rough Notes* magazines, ef-

With still a month to go in 1956, General American Life has broken all previous annual records by selling \$100,000,000 of ordinary life insurance so far this year. The occasion was marked when Powell B. McHaney, president, right, presented Clifford H. Goforth (center) with the \$10,000 "Masterplan" policy which brought ordinary sales up to their \$100,000,000 mark for the year. At left is C. Gene Morgan, agent who sold the policy. Mr. Morgan is with the Sale agency of the company at St. Louis, and Mr. Goforth lives in Maplewood, Mo. The presentation was made at a meeting of all employees of General American at the St. Louis home office. General American's best previous year for ordinary sales was in 1955 when, for the entire 12 months, sales totaled \$86,409,400.



fective Dec. 1. He will make his headquarters in Indianapolis at the home office of The Rough Notes Co., publishers of both magazines.

Wells has been in the life insurance business for the past 10 years with Equitable of Iowa and Guarantee Mutual prior to becoming manager for Guardian three years ago.

United Fidelity Appoints 2 V-Ps

W. H. Painter and E. E. Sammons have been elected executive vice-president and vice-president and agency director of United Fidelity Life of Dallas, respectively. Mr. Painter, with the company since 1920, has served as secretary-treasurer and later was vice-president and secretary.

THE ETERNAL SPIRIT

OF *Freedom*

has wrought change over the centuries

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Today, the force of human need

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freedom from dependence. And upon

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Joseph E. Boettner, C.L.U., Executive Vice-President

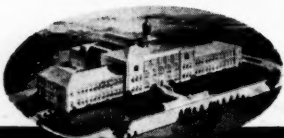
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Through a Strong and Rapidly
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incentive plan for agents. Please
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forgotten. For there are surprises
in the big "Grab Bag" that de-
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a National Life agent, write for
the National Life Agents' incen-
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President

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Need Time to Learn if Computers Will Prove Successful, Says Bagby

Few—if any—companies have been using electronic data processing systems enough to learn whether the installations will be an economic success, Wesley S. Bagby, comptroller of Pacific Mutual Life, told Federal Government Accountants Assn. of Southern California at Los Angeles.

Pacific Mutual installed an electronic system in August, 1955, to keep all records on 350,000 ordinary policies. Mr. Bagby described how the computer was selected, installed and integrated with his company's operations. The job of converting records from manual documents and punch cards to magnetic tape was a major problem.

Parallel operations are being run on both old and new systems for 15% of the business to eliminate errors and discrepancies which have been built up over the years. The old system on this particular part of the business will be eliminated in March. Ordinary insurance work will be 100% electronic by next October, he said.

Wis. Leaders Round Table Holds Fall Meeting

The fall meeting of the Wisconsin Life Insurance Leaders Round Table was held at the University Club of Milwaukee, with Chairman Arthur H. Neuhaus, Bankers Life, presiding. One of the speakers was County Judge R. J. Murdroch, whose subject was "What Are the Advantages of a Will?" and who answered questions from the floor. As a second feature, Philip H. Oxnam, director of market development for Mutual of New York, spoke under the title of "I Believe."

Life Insurance Executives Assist Boy Scout Fund Drive in New York

James H. Braddock, 2nd vice-president of New York Life, and William R. Cowie, vice-president of Equitable Society, are co-chairman of the life insurance executives division of a fund drive for the greater New York councils of Boy Scouts of America.

Other division members are Robert S. Shalen, executive vice-president of Patriot Life; Marvin B. Eckford, vice-president and secretary of United Mutual Life; Reuben Darr, Bankers Security Life; Howard M. Watne, secretary and treasurer of Postal Life; Joseph M. McCarthy, director of public relations of Union Labor Life; Everett G. Judson, vice-president of New York Life; William J. Barrett, secretary of Metropolitan Life; William S. Connell, vice-president and actuary of North American Re, and Frederick W. Read Jr., counsel of Home Life.

Also, Harold W. Anway, 2nd vice-

president of Mutual of New York, Henry O. Barr, superintendent of the policy claims division of Equitable Society; John R. Bickford, supervisor of the A&S claim department of United States Life; Wendell Buck, Manhattan Life; John S. Cook, secretary of Companion Life, and George Green Jr., assistant secretary of Expressmen's Mutual Life

Equitable Society Boosts Scale for '57

Equitable Society, under a newly liberalized dividend scale, will pay holders of individual insurance and annuity contracts an estimated \$75 million in 1957. This is approximately \$5,375,000 more than in 1956.

The 1957 dividend scale shows in general a relatively greater increase in dividends at the higher issue ages than at the younger issue ages.

POLICIES

Provident Mutual Offers Non-Can for Women

Provident Mutual Life is offering non-cancellable and guaranteed renewable A&S coverage for business and professional women.

Benefits covering disability up to two or five years are provided in the new accident income plan, while sickness disability for one year and accident disability up to two or five years is provided in both policies. Principal policy. Partial disability for accidents are provided in both policies. Principal sum payment of at least \$1,000 for accidental death is included in the accident policy and is optional in the "compensator" plan. A special hospital indemnity rider is available in both plans.

Columbian National Life has introduced a new \$25,000 minimum special ordinary life policy designed for anyone needing permanent insurance for low guaranteed premium outlay. It will be written for both men and women on standard and substandard risks up to 500% mortality. Family income or level term riders may be added.

N. Y. Life Managers Hear Tax Talk

Russell Newkirk, special counsel of New York State Assn. of Life Underwriters, addressed Life Managers' Assn. of Greater New York on the unincorporated business tax at a meeting in New York. He discussed the effect of the employee-independent contractor status of life agents on deductions for business expenses in personal income tax returns.



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A & S

Major Medical Termed Key to Problems of Health Care Economics

Major medical coverage was named the key to the problem of modern health care economics by James Andrews Jr., director of health insurance of the Life Insurance Assn. of America, before Pennsylvania Medical Society at its recent annual meeting in Atlantic City, N.J.

Focusing attention on the new approach of major medical to the cost of treatment prescribed by a licensed physician, Mr. Andrews stated that the conventional forms of hospital, surgical and medical coverage were never designed to meet the needs of the long-term patient or the patient requiring a costly surgical procedure or extensive treatment by non-surgical specialists with out-of-hospital nursing care and expensive drugs. The new insurance, through its high benefit limits and its flexibility as to treatment, is accomplishing all this. In the field of group insurance it is extending its coverage to normal illness by means of a low deductible scaled to the earnings of the employee, he pointed out.

As indicated in the recent survey of the Health Insurance Council, major medical showed an advance for the year 1955 of 138% to lead all other forms of health insurance and to provide protection for more than 5.2 million people, Mr. Andrews said.

One of the most valuable aspects of major medical expense insurance is its flexibility, he added. Just as medical practice has changed in the past decade, there is every likelihood that it will change in the next. By means of major medical protection is available which will keep pace with changing times. Major medical is designed to meet the cost of all types of service needed to restore the individual to health rather than being limited to a specific type of service, such as hospitalization or surgery. Thus, financial pressure to have one type of treatment rather than another, or to go to the hospital when hospitalization is not really needed, is largely eliminated, Mr. Andrews said.

Need More Facts for Underwriting A&S: Will

Charles A. Will, assistant underwriting secretary of Guardian Life, explained some of the differences between life and A&S underwriting to San Antonio Assn. of Accident & Health Underwriters.

A&S underwriting calls for more detailed information on the applicant. A man who may be in excellent physical condition and an excellent risk for life insurance might be rated a B or C risk for A&S, said Mr. Will, emphasizing the difference between mortality and morbidity.

He noted the importance of the A&S prospect's occupational hazard, the need for detailed information on his occupation, habits and medical record. Many life agents do not sell A&S because they must obtain so much information and face delays in obtaining policies for clients.

Hurth Addresses Mich. A&S Group

John E. Hurth, director of the public relations division of the Michigan department, addressed Central Michigan Accident & Health Underwriters Assn. at Lansing on "The Michigan department and Trends in the Accident and Health Business."

New HIC Benefit Identity Forms to Ease A&S Processes

More than 7.5 million of all general hospital admissions in 1956 will be patients with insurance coverage, Louis A. Orsini, assistant director of information and research of the Health Insurance Assn. of America, said in a talk at the recent annual conference of the Maryland-District of Columbia-Delaware Hospital Assn. in Washington, D. C.

Benefit payments in 1955 to insurance company policyholders with hospital expense policies amounted to \$745 million an increase of 21% over the previous year, he said. In order to help hospitals process their patient admissions, insurance companies are using two benefit identification systems—one for group policyholders and one for individual insurers, he added. The forms indicate the insurance benefits available for hospital services at the time of the patient's admission. Included in the system are the uniform claim forms adopted by the insurance business through the Health Insurance Council and the American Hospital Assn.

Mr. Orsini said a poll of insurance companies revealed that more than 200 companies representing 80% of all group A&S in force and more than 50% of insurers of individual and family protection would use the forms developed by HIC.

Adds 30-Day Waiting Period to A&S Policy

Connecticut General Life has added a 30-day waiting period to its non-cancellable A&S policy which guarantees a monthly income during disability to age 65. The policy is now available with either a 30-day or a 90-day waiting period.

The provision for disability income to age 65 in the policy was made so that it could be more effectively coordinated in an estate plan with benefits for death or retirement. It treats all disability alike whether caused by accident or sickness. More than half of the policies issued have been in conjunction with an estate plan, the company said.

D. C. Blue Cross-Shield Issue Major Medical

Group Hospitalization and Medical Service of District of Columbia have announced group major medical expense coverage of up to \$10,000. These benefits become available when, during a period of 90 days or less, a subscriber incurs out-of-pocket expenses in excess of an agreed upon deductible, usually \$100. After payment of the deductible by the subscriber, the major medical provides benefits equal to "covered" charges, usually 75%, agreed upon for the group.

St. Paul Life and A&S Groups Meet

St. Paul Assns. of Accident & Health and Life Underwriters held a joint meeting at which Chester C. Elson, general agent of Mutual Benefit H.A. and United Benefit Life at Des Moines, spoke on "Words Are Your Weapon."

Sales Contest Spurs Jefferson National Agents

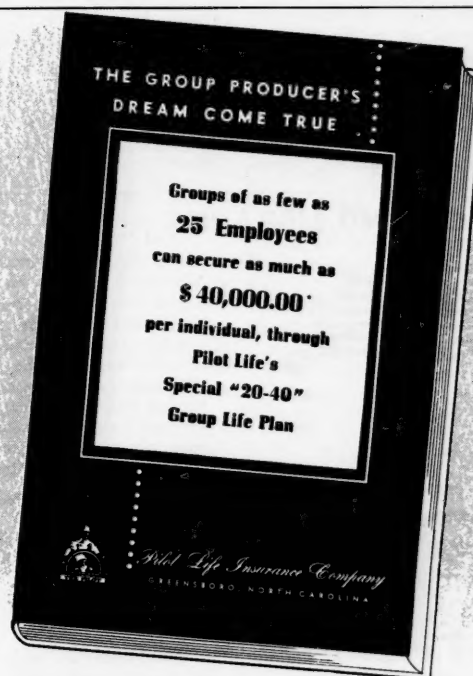
Jefferson National Life agents responded to the "Dig for Treasure" theme of the October sales contest to produce \$5,010,000 of new life and \$770,000 of A&S volume in a five week period.

Several new sales tools were introduced to give additional incentive to the contest. These were: The personal protector, a group life plan; hospitalization and family income for small businesses; the extension plan, a re-issue of a special life contract; and the

president's special—a super ordinary life written with a minimum of \$25,000 face value. Recently reduced premiums on the family income policy and riders, mortgage insurance policies, and increased non-medical limits up to \$15,000, gave the salesman additional ammunition.

Nowell Addresses N. Y. CLUs

Reynolds I. Nowell, vice-president in charge of the farm mortgage department, of Equitable Society, gave some "Hard Facts about Hard Money" to New York City CLU chapter at a recent meeting in Brass Rail restaurant, 100 Park avenue.



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GIVE YOUR **GROUP PROSPECTS** A BREAK

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IOWA INDIANA
ARKANSAS
KENTUCKY



List Topics for Insurance Teachers Meeting Dec. 27-28

The program for the annual meeting of American Assn. of University Teachers of Insurance, to be held at Cleveland Dec. 27-28 has been announced. Events of life insurance interest are:

Dec. 27, CLU-CPCU breakfast; morning session, "Recent Federal Activity in Insurance Regulation," Nes-

ter Roos, University of Arizona; luncheon, Hampton H. Irwin, Wayne State university, president of AAUTI presiding; presentation of Elizur Wright award by Clayton G. Hale, Hale & Hale Co, Cleveland; talk by Wesley S. Bagby, comptroller Pacific Mutual Life; afternoon, notes on Arden House report, Harry Loman, University of Pennsylvania; study papers: *Issues in Temporary Disability Insurance*, Monroe Newman, Penn State university, *Marketing Consumer Credit Insurance*, Daniel P. Kedzie, Marquette university; reception by New York Life.

Dec. 28, morning, health care costs—

joint session with American Economic Assn.: "The Sickness Risk—Methods Meeting the Costs," Dr. Herbert Klarman, Hospital Council of Greater New York; "Meeting Health Care Costs Through Insurance," E. J. Faulkner, president of Health Insurance Assn. of America and of Woodmen Accident; "Canadian Programs for Meeting the Sickness Risks," Dr. George F. Davidson, deputy minister, department of national health and welfare of Canada, luncheon meeting: "The Integrated Insurance Department," C. Henry Austin, insurance manager of Standard Oil of Indiana.

Saunders Quits Texas Board to Become V-P Of Republic National

Chairman J. Byron Saunders of Texas Board has resigned to become vice-president and general counsel of Republic National Life on Jan. 1. He will serve in an administrative capacity and head the legal department.



J. B. Saunders

Gov. Shivers has accepted Mr. Saunders' resignation, which had been rumored as forthcoming. The

governor said he soon would appoint a successor to serve the remainder of Mr. Saunders' 6-year term, which runs to Feb. 10, 1959.

Gov. Shivers, alluding to the leading role Mr. Saunders played in straightening out what has been called the "Texas insurance situation," said in part:

"Stepping in when the industry and the board itself were under fire, he helped secure stronger regulatory laws and set up stronger state supervision. As chairman he has shown vigorous leadership in getting and keeping our insurance business on a sound basis."

Mr. Saunders was a practicing attorney in Tyler prior to his 1953 appointment as casualty commissioner to fill the vacancy created by the advancement of Garland A. Smith to chairman and life commissioner. He became chairman last January when Mr. Smith resigned. Mr. Saunders was elected chairman of the executive committee of National Assn. of Insurance Commissioners last June, and was in line for the presidency in 1958.

Other commissioners are Mark Wentz, whose term runs to Feb. 10, 1961, and Morris Brownlee, whose term will expire next Feb. 10. Before that time, Gov.-elect Price Daniel will take office.

FLAGS AND LIBRARIES



Woodmen of the World's local Camps have given 19,637 U. S. Flags to schools, churches, libraries, Scout troops and other organizations since 1946. That's the equivalent of two flags for each of the nation's more than 9,500 libraries (including branches).

The Society contributes these flags to remind fellow Americans of our great heritage. Woodmen also perform many other civic and patriotic services for a better America.



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No Tax Relief for Insurers in New N. C. Proposals

Insurance companies in North Carolina will not share in corporate tax reductions proposed by Gov. Hodges' tax study commission.

The commission's report, headed for the general assembly next February, says that the present method of taxing insurance companies is the most satisfactory and that the establishment of rates is a matter of legislative policy. Domestic life insurers had 1%, which was the level prevailing before an increase in 1955. Foreign or out-of-state life companies pay a 2.5% gross premium tax, while fire and casualty insurers are taxed either 1% on gross premiums or 6% on net income, whichever yields the greater amount.

The commission's major recommendations would result in tax reductions of nearly \$9 million annually, mostly for manufacturing firms, in an effort to brighten the state's tax structure for industrial expansion.

Lesser changes that would not have any appreciable effect on the state revenue, include adoption of the federal tax code's provision for determining taxable income from annuities and pensions; a recommendation that amounts of premiums paid by an employer for group life and A&S for the benefit of employees be excluded from the gross income of the employee, and a revision of the present law exempting insurers from ad valorem taxes and certain licensing fees, making it clear that they are not exempt from a 3% sales tax on materials and on items sold to company employees.

Least 2 in Running for Ind. Commissioner Post

J. R. Townsend, Indianapolis director of parks, is being boosted for state insurance commissioner to replace William J. Davey. Clyde Ingle, chief examiner of the department, has been slated to succeed Mr. Davey, and still is being considered seriously. News of the impending appointment caused a counter campaign in behalf of Mr. Townsend, father of J. Russell Townsend Jr., a new state senator in Indiana. The senior Mr. Townsend was a general agent for Equitable Life of Iowa at Indianapolis until several years ago when his son took over as general agent.

Occidental of Cal. Provides Group Major Medical for Agents

Occidental Life of California has replaced its hospital policy for agents with a major medical group plan providing a \$10,000 maximum benefit for each individual and each dependent, with a \$50 calendar year deductible for each agent and dependent.

Excepting hospital expenses, the plan offers 80-20% coinsurance for all covered expenses. Hospital expenses to \$500 are completely covered, with 80-20% coinsurance for the excess over \$500.

Up-to-Date Hand-Book of Michigan Is Ready

A new Underwriters' Hand-Book of Michigan has just been published by The National Underwriter Co. It provides complete and up-to-date information on the agencies, companies, field men, general agents, groups and other organizations affiliated with insurance throughout the state. Copies of the new Michigan Hand-Book may be obtained from the National Underwriter Co., at 420 East Fourth street, Cincinnati 2, Ohio. Price \$12.50 each.

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RICHMOND ATLANTA NEW YORK

Life, A&S Affairs Featured at NAIC Midyear

(CONTINUED FROM PAGE 1)

NAIC reception and dinner is Wednesday evening.

One of the curiosities here is the accommodations for the trade press—a vacant gift shop in the main lobby of the Di Lido hotel, fully glassed in and identified with signs saying "Press." This peculiar arrangement, however, is matched by the holding of committee meetings in the bar of the Di Lido where the air conditioning is adjusted to steamy night temperature. All of this informality has not slowed up important business when important business has appeared.

The failure of the Illinois department to have anyone in attendance caused some comment, but it was particularly distressing to the staff reporter of the St. Louis *Post-Dispatch* who was looking for some fireworks to follow up his paper's series on Director McCarthy.

At the first plenary session Tuesday morning, Commissioner Larson of Florida gave a short welcome address that was seconded by Charles W. Campbell, vice-president in charge of the Prudential regional home office at Jacksonville and chairman of the convention committee. Tom Smith, head of the Miami Beach Convention Bureau, had a few words to add extolling the wonders of the city (364 hotels, no cemetery), and he gave police passes and keys to the city to the officers of NAIC.

The new members of NAIC since the June meeting were introduced—Horn of Alabama, Hayes of Louisiana, Mitchell of South Dakota, Parker of Virginia and Miller of West Virginia. Commissioner Thurman introduced Gov. Chandler of Kentucky.

Robert Taylor of Oregon concluded the session with his presidential report, commenting that there is no such thing as a freshman in the NAIC and there is no first or second team, because regardless of length of membership all members have the same responsibility and are asked to take the same active part in association affairs.

Harry Fuller, midwest manager of National Bureau of Casualty Underwriters, is in Presbyterian hospital, Chicago, and could not be present for the NAIC meeting at Miami Beach. This was the first meeting Mr. Fuller has missed in about 35 years. He is probably the best known figure at the NAIC conventions, having assumed the job of unofficial photographer. He has taken thousands of pictures at the meetings, and sends prints to many of those he photographs as well as to the insurance trade papers.

The subcommittee on state laws governing misleading and deceptive advertising confined its brief session to a review, state by state of the status of the three laws NAIC considers essential to keep the preserve free of FTC meddling—the unauthorized insurers service of process act, the fair trade practices act, and the uniform policy provisions law for A&S insurance. Pansing of Nebraska, the chairman, suggested the subcommittee prepare a listing of the status of these laws, noting that it would serve to emphasize to those states lacking the needed legislation that they are not in the buggy. John Hanna of Health Insurance Assn. recommended that any such list should indicate that some states have equivalent laws. This idea got bogged down somewhat when Julius Wikler of New York said the McConnell committee on preservation

of state regulation is getting set to compile some sort of report on state regulatory laws in general.

The review of the three bills was conducted zone by zone, and was backed up by Joseph O'Regan of HIA, who had in hand an obviously more complete rundown than the commissioners had for themselves. Mr. Pansing indicated that whatever his group might get up would call for considerable help from the HIA.

The subcommittee on interpretation of NAIC rules governing A&S advertising decided at its meeting in New York to eliminate rule 11B and modify rule 1C, Pansing of Nebraska, the chairman, told those attending the subcommittee meeting at Miami. This progress report was about all anybody wanted to take time to hear.

Rule 11B, the one requiring mail order insurers to tell in which states they are or are not licensed, has been hotly debated ever since the rules were introduced, with Moses Hubbard of Commercial Travelers of Utica doing the most vehement objecting. Mr. Hubbard was not present at New York, and he remarked that he seemed to be able to accomplish more by not being on the scene.

Rule 1C has defined agents and brokers as insurers for purposes of advertising, and C. F. J. Harrington of National Assn. of Casualty & Surety Agents made quite a stir on this at previous meetings. The new wording follows the New York rules, taking the producers out of the classification of insurer but adding a paragraph making the rules apply to agents and brokers to the extent that the producers are responsible for the advertising of any policy.

These are the only changes now in process, Mr. Pansing said. Nothing is going to be done to the interpretative

guide for the time being, except to make it agree with the two rule changes. He said the subcommittee report will summarize the status of the rules in the states, noting where they have been adopted either formally or informally.

Miller of West Virginia said it was suggested at New York that NAIC set up a permanent office to study and examine advertising as a sort of clearing house for all states. This would eliminate the possibility of 48 interpretations. Mr. Pansing said this was his original conception of how advertising could be scrutinized, but the A&H committee deferred action. It still appears to be premature, he added, and C. C. Fraizer of Health Insurance Assn. agreed that a period of simmering, settling and shakedown is advisable.

The industry people and commissioners were in accord on the idea of continuing the subcommittee to make changes and modifications in the rules and interpretative guide from time to time.

Adoption by NAIC of the New Jersey rules on house confinement under

sickness insurance policies was recommended by the subcommittee on this subject at its meeting Monday. This provides in general that for policies paying benefits up to two years with the house confinement requirement, there shall be added full non-confining benefits for half the time the confining benefits are paid or half benefits for the full time confining benefits are paid. For policies paying for two years or longer, there will be an additional year of full benefits for non-confining sickness, or two years at half the benefits.

The New Jersey department has been the most active in urging restriction of the house confinement provision. At first there was an attempt to remove the provision entirely, and the latest rules, adopted in New Jersey Oct. 24 and effective Jan. 1, are actually a good deal less restrictive than the original conversation indicated, although still unpalatable to most A&S insurers.

In a department statement to the subcommittee, Commissioner Howell of New Jersey said the New Jersey

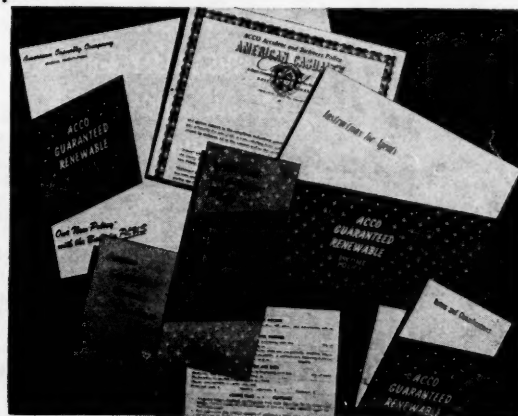
(CONTINUED ON PAGE 32)

NOW American Casualty's Disability INCOME Policy that's Guaranteed Renewable to AGE 65

Here it is—the kind of family security that every agent prefers for his clients . . . American Casualty's all new **GUARANTEED RENEWABLE DISABILITY INCOME POLICY**. Your assureds continuously control ownership until age 65. Even after that, the policy may still continue in force at the Company's option.

"Plus" Features

Accident benefits to age 65. Ten years sickness benefits (House confinement never required). Incontestable after 2 years. Partial disability benefits for accidents. Simplified classification. Waiver of premium. Few limitations. Three plans to select from. Available in most states.



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Send complete details about the ACCO GUARANTEED RENEWABLE Policy.

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Joseph F. Follmann Jr., left, receives an inscribed sterling silver tray in recognition of his 10 years' service as general manager of Bureau of A&H Underwriters. Making the presentation on behalf of the governing committee is W. E. Kipp, retired secretary of Indemnity Insurance Company of North America. The ceremony took place at a dinner in New York, marking the formal dissolution of the 65 year old bureau, which has been superseded by Health Insurance Assn. of America. The bureau was formally dissolved at a meeting of the governing committee preceding the dinner. Mr. Follmann is director of information and research of HIAA.

COMPANY & AGENCY CHANGES

Commonwealth Life

John C. Grubb and **L. Glen Neikirk** have been appointed director of agencies, district office agencies. Mr. Grubb has been manager of Commonwealth's district office at Ashland, Ky., since 1941. He joined the company in Huntington, W. Va., in 1937, and was promoted to assistant manager at Ashland and manager at Huntington, before his appointment as Ashland manager.

Mr. Neikirk has been manager at Somerset, Ky., for the past eight years. He joined the company in 1940 at Somerset, and served as agent there and in Louisville and as assistant manager at Memphis, Evansville and Knoxville.

Pan-American Life

Jaime N. Palencia, supervisor of the Latin American division, has been named administrative officer. **Wald J. Davidson Jr.**, assistant director of data processing, has been promoted to assistant actuary. **Marius M. Martin**, manager machine operations, becomes assistant controller. **Borne P. Boudreaux**, manager policy issue, since 1955, has been named assistant director of data processing. Mr. Palencia has been with Pan-American Life since 1954. Mr. Davidson joined the company in 1954 as actuarial supervisor and is an associate of Society of Actuaries. Mr. Martin joined Pan-American in 1949. Mr. Boudreaux started with Pan-American Life in 1941.

Travelers

Thomas F. Malone, director of the Travelers weather research center, has been appointed director of research, heading a newly created research department designed to bring together varied research activities into a single unit.

First Colony Life

Raymond G. Campbell has been appointed agency assistant to **Roy A. Foan**, vice-president and director of agencies. Mr. Campbell started in insurance with John Hancock in 1947.

State Mutual



Duncan F. Brown

president of Burlington Life Underwriters Assn.

Mutual of New York

Donald T. Rave has been appointed advanced underwriting specialist in the sales department to assist Paul Brower, Mutual's director of advanced underwriting. Mr. Rave started in insurance in 1950. He has been with Equitable Society.

Life of Georgia

Truett D. Wakefield, who started with Life of Georgia in 1954, has been promoted from agency assistant to director of training, replacing **G. S. Cutini**, who is now director of agencies. Previously Mr. Wakefield had been chief underwriter in the insurance division of Veterans Administration at

Atlanta. New training assistants, all former staff managers, are **Chester H. Holmes** of Greenville, S. C., who has been with the company six years, **E. M. Hutcheson** of East Point, Ga., also with the company six years, **G. D. Smith** of Monroe, La., who has been in insurance since 1947, and **Leonard Waites** of Atlanta, with the company five years. **George J. Kranitsky**, home office training assistant, has been named district manager at Charlottesville, Va. He started with Life of Georgia in 1947. **T. E. Norris**, with the company since 1953, has been named district manager at Forrest City, Ark.

Great-West Life

J. R. Brault has been appointed branch manager of Great-West's fifth branch in the Greater Montreal area. The new branch is known as Montreal Western. Mr. Brault joined Great-West in 1948 at the Montreal Dominion Square branch and subsequently was appointed supervisor there.

W. W. Wilson has been named Oregon group supervisor for Great-West Life. He formerly was Portland branch supervisor.

Manufacturers Life



R. R. Teall

Robert R. Teall has been appointed manager of Manufacturers Life's first Florida branch office at 1430 Southwest First street, Miami. A CLU, Mr. Teall was for several years manager of the life department of the Alexander & Baldwin, general insurance agency in Honolulu, representing Travelers. He will be in charge of developing a sales organization in Florida.

rect activities of branch offices at Worcester and Providence. He has been supervisor at Syracuse, and more recently has been with Provident Mutual's management training section. Mr. Green succeeds **Edward R. Devereux**, manager since 1952, who asked to be relieved of managerial responsibilities to devote his entire attention to a new office being established to specialize in business insurance, estate planning, group and staff insurance coverages for Provident Mutual.

Union Mutual Life

James T. Dwyer, home office field supervisor of agency department, has been appointed manager at Providence. Mr. Dwyer started with Union Mutual Life in 1951 at Syracuse.

John Hancock



F. L. Gallagher

Francis L. Gallagher has been named general agent for John Hancock at New York, with offices at 257 Beach 116 street, Rockaway Park. He entered the life insurance business in 1935.

Pioneer Mutual Life

Evan J. Duerre and **Richard J. Farnham** have been appointed general agents at Minneapolis and **William O. Peterson** has been promoted to general agent at St. Paul. Both Mr. Duerre and Mr. Farnham have been with Prudential and more recently with Indianapolis Life. Mr. Peterson joined Pioneer Mutual in 1954.

RECORDS

PROVIDENT MUTUAL LIFE increased October sales 19% over the same month last year for an all-time October record.

GUARDIAN LIFE agents sold almost \$28 million in life volume and more than \$120,000 in A&S premiums during the October campaign honoring James A. McLain, president. Leaders in life sales were the Kuhling agency of Jacksonville, Fla., Zielinski agency of New Brunswick, N. J., and Fulton agency of Baltimore. A&S leaders were Munc agency of Miami Beach, Hollywood agency of Red Bank, N. J., Merin agency of Albany.

Home Office Underwriters in Ind. to Hear Psychiatrist

Dr. Louis W. Nie, specialist in the psychiatry of neurology will discuss some phases of his medical specialty at the Dec. 12 meeting of Indiana Home Office Underwriters Assn. at Indianapolis. Registration for the meeting will be at 5:30 p.m. and dinner at 6 in the Athenaeum. R. S. Worden, assistant secretary of Lafayette Life, is the program chairman of the group.

New York Life Relocates Springfield (Ill.) Office

New York Life has moved its Springfield (Ill.) office to the Myers building, 101 South Fifth street. Charles E. Wood is general agent. An open house was held in connection with the relocation of the office, and vice-president Leland E. Lyons was among those who were present to represent the home office.

Prudential

Joseph J. Greenan has been appointed manager of the Northeastern Indianapolis district. He started with Prudential in the Indianapolis East Side district in 1934 and in 1943 was promoted to staff manager in the Northeastern District, which he now manages.

The Los Angeles regional home office of Prudential has been made five promotions in the group department. **Sten Johnson**, group representative at Honolulu, has been named district group manager, as has **David E. Londerree**, group representative at San Diego. Two of the company's Los Angeles group service managers, **Thomas J. Schlarb** and **E. W. Smith**, have been appointed group sales representatives. **Maurice G. Updegrove** has been promoted to district group service manager at Denver. He formerly was group service representative there.

William E. Ryan Jr. with Prudential since 1948, has been appointed head of a new ordinary agency at Poughkeepsie, N. Y.

In other changes, Prudential has named the following district agency managers: **Earl E. Shappell** at West York, Pa., **Francis W. Campbell** and **Quinter G. Colbank** at South Hills and Golden Triangle agencies in Pittsburgh, **Ivan Vrbaniich** at Stamford, Conn., **John Hydecker** at Union City, N. J., and **Herbert B. Gartley Jr.** at McKeesport, Pa.

Travelers

Martin F. McHaugh has been promoted to assistant brokerage manager at New York. He has been field supervisor for Travelers there.

G. Blair Harding and **Russell S. Harmon Jr.** have been appointed field supervisors at Salt Lake City and Manchester, N. H., respectively.

Provident Mutual Life

Winton H. Green has been appointed manager at Boston. He will also di-

all in
ONE
package

LIFE

ACCIDENT

& SICKNESS

DISABILITY with

optional **HOSPITAL**

& NURSE rider



UNITED

AND ACCIDENT INSURANCE COMPANY

CONCORD NEW HAMPSHIRE

- Benefits never decreased
- Premium never increased
- Non-cancellable
- Guar. renew. to age 65
- Recurrent disability provision
- Choose either 2 or 5-year benefit period for each disability
- No house confinement necessary

LIFE

Send for sample sales promotion kit on this new All-In-One Package. Write H. V. Staehle, Jr., C.L.U., Field Management V. Pres., United Life, 5 White St., Concord, N. H. STATES SERVED: Conn., Del., D. C., La., Me., Md., Mass., Mich., N. H., N. J., N. C., Ohio, Pa., R. I., S. C., Va., Va.

Preferred Risk Ordinary Life
Preferred Risk 20-pay Life
Life Paid-up at 65

Estate Builder Plan
Term Insurance

Bank Loan Backers Present Case to Mills Committee

(CONTINUED FROM PAGE 1)

ring to insurance borrowing as the "finest illustration of a proper use to which . . . the interest deductions can be put," Mr. Johnson compared this to interest deductions for borrowing for "utterly frivolous" purposes, such as jewelry and vacations. He further testified that it would be an unfair "legislative purpose for the Congress to deny interest deductions on loans which usually have as their sole function the maintenance of insurance protection for wives and growing children."

Mr. Johnson also referred directly to the so-called "inside build-up" of the policy reserves. He testified that if this is a benefit it is not a very great one in that, as an investment, the yield even at the end of 20 years is very slight. Mr. Johnson also told the committee that if an insured was forced to cancel a bank-financed policy the full amount of any inside build-up would be taxed to him at ordinary income rates if any gain in the policy in fact occurred.

As stated by Mr. Johnson the denial of the interest deduction would serve "only to heighten the discrimination between the small businessman, the professional man, and those who have already achieved status and wealth." He then referred directly to the Treasury charge and answered by stating that there was no revenue loss involved but on the contrary a revenue gain occurred because bank-financed insurance "actually promotes commerce and produces a flow of taxable activity."

At the conclusion of Mr. Johnson's testimony, Mr. Edelstein explained through graphic charts the fact that bank-financed procedures parallel other insurance purchases except that the insured incurs an additional cost in the form of interest on the bank loan. Both Mr. Johnson and Mr. Edelstein indicated that the so-called "gimmicks" in bank-financed insurance, if they existed at all, could be cured under Section 264 of the 1954 code.

Congressman Mills expressed tremendous interest, proponents of bank-loan claimed, in the fact that bank-financed plans were used to purchase insurance protection and were not, in most instances, profit-motivated transactions.

Washington attorneys Cooper and Silverstein explained to the committee that "the line these gentlemen are trying to draw is the difference between a purchase of insurance to make a profit from a transaction and a purchase where (as in the case of the clients of these gentlemen) the insured is attempting to purchase insurance protection."

Congressman Mills, upon hearing this, stated, "Mr. Johnson, I am impressed with these thoughts after hearing you gentlemen, and feel that the committee should do nothing to prevent an individual taking this course of action if he takes it for some reason other than profit—if he takes it for a legitimate reason." Indicating that a misconception in the nature of the Treasury's proposal existed, Mr. Mills stated, "I thought what the Treasury was suggesting was that, in this particular type of case which has come to our attention, we merely deny the deduction for the interest involved . . ." Whereupon, Mr. Mills re-

quested Messrs. Cooper and Silverstein to submit to him, as chairman of the subcommittee, a draft of proposed legislation to eliminate the profit motive from bank-financed insurance.

No definite word was received as to precisely when the subcommittee's report of their deliberations on these hearings will be made public. It is understood that the committee concluded executive session on these matters on Nov. 29 and wound up the entire series of hearings. In the ordinary course of business a report of the subcommittee's conclusions should be forthcoming at or about the opening of the 85th Congress next month.

Mortality Table Proposal Meets Criticism

(CONTINUED FROM PAGE 2)

static. He said he also spoke for Bankers Life of Nebraska, Midwest, Lincoln Liberty, Union National, Security Mutual and Lincoln Mutual. He said there were other companies that objected. At least 12 insurers feel that adoption of the table even on a permissive basis would confront them with problems. For one thing, he complained that the low mortality record would give very liberal extended term insurance benefits to discontinuing policyholders. This is too liberal. It doesn't take account of expenses involved.

He said it would reduce premium rates and recalled that such reductions which took place in the 1920's plagued the companies in the 1930's. He said there ought to be a mortality table for continuing policyholders and table for continuing policy holders and Commissioner Pansing announced that he will try to defeat action for six months without passing on the merits.

Commissioner Beery said the matter should be studied more closely.

Mr. Bittel said an even longer study might produce something even more unpalatable to the objectors. There are some, he said, who feel that the table is too conservative.

Norman Hughes of National Life & Accident said the margins in the table are reasonable. He said the only shadow of criticism he could offer is that amendment of the non-forfeiture valuation law should not be linked to the new table.

Mr. Anderson said ALC and LIAA don't want to force a mortality table on anyone, especially not on the small companies.

Oren Pritchard, for NALU, said recognition of improved mortality is in the public interest. The mutual companies have already taken advantage of this and agents of some stock companies say this puts them at a disadvantage.

Mr. Bittel asked Mr. Estes whether his views would be likely to change in six months. The latter gave an indication of touche on this. He said a new mortality table won't solve the problems.

Mr. Bittel concluded by saying he didn't see why the premium rate question was injected into the matter so strongly.

Union Mutual Ups Scale Seventh Time in 11 Years

Union Mutual Life has adopted a new dividend scale, its seventh increase in 11 years, which will give policyholders an average increase of about 15%.

The increase will vary by plan, age at issue, and duration of policy.

Efforts to Ward Off Federal Regulation

(CONTINUED FROM PAGE 2)

speaking for the industry committee, said the group has been very active and has given full consideration to the criticism of the U. S. Senate labor subcommittee of the insurance business for being codeless. It seemed obvious to the industry group that any internal code would have to deal with the matter of commissions and any recommendation along this line might be tantamount to fixing a component part of the rate. Another impediment was the fact that a code gotten up by an association would not reach non-members. Hence, the decision was to urge the commissioners to take over. This would mean that the proper governmental authority would be imposing regulations on the business.

As a "kickoff," he suggested points to be covered in the code, including a guide for commissions, for gifts and entertainment, for service fees to third parties, accounting procedures, guide for loans to parties with possible conflict of interest for discriminatory practices, for fair labeling of benefits.

He said the commissioners will have to decide on whether to deal with the question of which to permit commissions to be dependent on claim experience, also whether to touch on company retentions.

Publishes All New 1956 Pa. Insurance Laws

Insurance Federation of Philadelphia has published its annual yearbook on all new laws enacted by the 1955-56 legislature pertaining directly or indirectly to insurance.

The volume contains the results of the deliberations of the legislature and the actions of the governor. The full wording of the various laws is recorded, followed by a summary showing the volume and type of measures that were introduced into the legislative committees but that failed on final passage. The acts have been classified according to that division of insurance which they affect: General life, fire, casualty, workmen's compensation, etc. The volume is prefaced by a short message by the federation's president, Malcolm Adams, president of Penn Mutual Life.

30 Insurance Teachers Join in Summer Program

A total of 30 fellows of American Assn. of University Teachers of Insurance worked in various insurance companies across the country as part of the association's summer fellowship program.

The fellows, all university insurance professors or instructors, have the opportunity through the program to gain first hand knowledge on the various facets of the insurance business which are of special interest to them.

The current governing committee of the association is composed of William O. Cummings of LIAMA, George D. Haskell of American Mutual Alliance, Professor Dan M. McGill of the Huebner Foundation of Pennsylvania, university, Harold Philips of Assn. of Casualty & Surety Companies, Robert P. Stieglitz of New York Life, F. W. Westervelt of National Board and James R. Williams of Health Insurance Institute.

Hancock Holds "Family Day" for 11,000 Guests at Home Office

John Hancock held its third "family day" for 11,000 children and families of its home office staff.

Byron K. Elliott, executive vice-president, Clyde F. Gay, vice-president-administration, John L. McCrea, vice-president-personnel and client relations, and Robert P. Kelsey, vice-

president-public services, toured the home office to greet visitors. Officers and their wives met guests in the main lobby.

The visitors toured the offices and exhibits and saw the Univac electronic data processing system in action. Entertainment was provided for the children, refreshments were served and souvenir pens were distributed. A physician and nurse were on duty for special emergencies.

Sixty family day representatives planned the party under the chairmanship of Morgan H. Plummer Jr. of the public services department.

Must Remember Family Needs, S. F. Agents Told

A bankrupt family is many times worse than a bankrupt business, Lester S. Roscoe, director of field training, Occidental Life of California, told members of San Francisco Life Underwriters Assn. at a breakfast meeting.

In his talk on "Making Money Is Your Business," Mr. Roscoe predicted that people will see more changes in the next 10 years than they have in the last 50, but he said some things will never go out of style—such as the family. He urged agents to always remember the family needs for protection. He said agents must not devote all their time to bank-loan, split dollar and other plans when the basic objective of life insurance is the "family plan."

The "money curse," he said, is far and away ahead of "anything in second place" and if money is used properly, it can buy happiness.

Convention Dates

Dec. 12-13, Life Insurance Assn. of America, annual, Waldorf-Astoria hotel, New York.

1957

Mar. 18-20, Life Insurance Agency Management Conference, Edgewater Beach hotel, Chicago.

Mar. 24-29, National Assn. of Life Underwriters, midyear, Hotel Roanoke, Roanoke.

April 11-12, Home Office Life Underwriters Assn., annual, Greenbrier hotel, White Sulphur Springs.

April 15-17, Life Insurance Agency Management Assn. A&S Meeting, Edgewater Beach hotel, Chicago.

April 29-May 1, Life Insurance Agency Management Assn. Combination Companies Conference, Hollywood Beach hotel, Hollywood, Fla.

May 12-15, Life Insurance Agency Officers Round Table, Homestead hotel, Hot Springs, Va.

May 20-22, Insurance Accounting & Statistical Assn., annual, Palmer house, Chicago.

May 22-24, Life Insurance Conference, Carolina hotel, Pinehurst, N. C.

June 5, Actuarial Club of the Pacific, semi-annual, Del Monte hotel, Pebble Beach, Cal.

June 12-15, International Assn. of A&H Underwriters, annual, Lowery hotel, St. Paul, Minn.

June 12-15, Wisconsin Assn. of A&H Underwriters, annual, St. Paul, Minn.

June 30-July 3, Million Dollar Round Table, Greenbrier hotel, White Sulphur Springs.

Aug. 12-14, International Federation of Commercial Travelers, annual, Empress hotel, Victoria, British Columbia.

Sept. 15-20, National Assn. of Life Underwriters, annual, Sheraton-Cadillac and Statler hotels, Detroit.

Sept. 16-20, General Agents & Managers Conference, annual, Detroit.

Sept. 17, American College of Life Underwriters, annual, Sheraton-Cadillac hotel, Detroit.

Sept. 18, American Society of Chartered Life Underwriters, annual, Detroit.

Sept. 23, Fraternal Actuarial Assn., annual, Statler hotel, Los Angeles.

Sept. 23-25, Life Office Management Assn., annual, Shoresom hotel Washington D. C.

Sept. 23-25, National Fraternal Congress of America, annual, Statler hotel, Los Angeles.

Oct. 23-25, Assn. of Life Insurance Medical Directors, annual, Statler hotel, New York City.

Oct. 31-Nov. 1, Actuarial Club of the Pacific, annual, Biltmore hotel, Santa Barbara, Cal.

Nov. 10-14, Life Insurance Agency Management Assn., annual, Edgewater Beach hotel, Chicago.

Dec. 6-8, California State Assn. of Life Underwriters, midyear, Rickey's Studio inn, Palo Alto.

Life, A&S Affairs Featured at NAIC Midyear

(CONTINUED FROM PAGE 29)

study of house confinement policies shows the problems involved are largely due to the fact that confinement to the house is not a proper measure of total disability and, accordingly, "such provisions are basically unjust, unfair and inequitable in a policy which purports to provide benefits for total disability. It can be demonstrated that many persons who are totally disabled, using the strictest definition, are not necessarily confined to the house and that confinement to the house does not establish that a person is unable to perform any and every duty pertaining to his or any occupation even where such confinement is necessary and continuous."

The most serious problems arise in connection with such policies which promise loss of time benefits for life, Mr. Howell added. A study of several hundred claims, where the claimant had been totally disabled and received benefits under the usual definition for two years or more, disclosed that only a small number would have been entitled to receive any further payments if necessary and continuous confinement to the house had also been required. Under a liberal construction of such confinement requirements, over 80% of such claimants would have been disqualified and under a strict interpretation, over 90% could have been cut off from any further benefits.

As a practical matter, the commission said, few, if any, companies are offering loss of time coverages for periods over two years without house confinement requirements but the public is definitely interested in purchasing protection for long periods of disability. It is the intention of some companies issuing lifetime confining policies that the house confinement provisions would be used to terminate benefits only when they were satisfied that the claimant was not totally disabled by the usual definition. To require all companies issuing such

policies to agree to administer claims in this manner was not acceptable to industry and would probably have been difficult to administer.

It has been suggested, Mr. Howell went on, that if such policies provide a sufficient period of non-confining benefits, house confinement provisions could no longer be construed as being unjust, unfair and inequitable, at least when the maximum period of loss of time benefits are promised for more than two years up to life, no satisfactory solution has been found but it appears that, if non-confining benefits are provided for a full year at the same dollar rate, a reasonable pattern of required non-confining benefits can be set up for all such policies.

The tentative rules promulgated by the New Jersey department on Oct. 24, establish such a pattern, he declared. These rules are the result of New Jersey department hearings and of numerous conferences and discussions with representatives of individual companies and other interested persons. "We feel that they are reasonable and consistent. These rules represent a compromise, based on practical considerations, of the New Jersey department's position as expressed in our previous memorandum. It is our feeling that a good case can be prepared under existing statutes, if necessary, for banning house confinement requirements in policies delivered in New Jersey."

A discussion of the status of variable annuity legislation was the only topic on the agenda of the subcommittee handling this subject. Chairman August Pryatel of Ohio presided.

Stephen L. Segedy of American Life Assn. of Bridgeport, said his company now has before the Connecticut supreme court the issue of whether a fraternal can write a variable endowment. A decision is expected in two or three months. He pointed out that the fraternal do not fall under the Guertin laws, among other things, and

the fraternalists are convinced their plan can be written.

Commissioner Howell of New Jersey reported that the three variable annuity bills in his state have passed the assembly and the second reading in the senate. They are ready for action. Accompanying them is a bill to limit the amount of stock a life company can hold in any one corporation to 5% instead of the present 20%. This will eliminate most of the objections to the variable annuity bills, Mr. Howell said, adding that he does not think the variable annuity bills will be passed without the investment bill.

Mr. Pryatel put on the agenda for the June meeting, a study of the effect in other states if one state, by law or otherwise, allows a life company or a fraternal to sell variable annuities.

Milton Ellis of Metropolitan passed out excerpts from a talk by president F. W. Ecker of that company opposing variable annuities and quoting some opposition remarks of Taylor of Oregon. Mr. Ellis said variable annuity bills were killed last year in New Hampshire, Maryland, and New York, and in Massachusetts and Texas the subject is under study.

Wisconsin Club Holds Semi-Annual at Oshkosh

Sixty-five members of Fox River Valley Insurance Club, representing eight companies with home offices in southeastern Wisconsin, attended the semi-annual conference in Oshkosh, with Wisconsin National Life of this city as the host company. The session was devoted to insurance procedures, operations and problems.

Robert Savage, Wisconsin National, was moderator of a discussion concerned with the selection of personnel, including testing programs, classifications and promotions. Personnel health and welfare discussion was moderated by Dr. Roger Henning, Aid Association for Lutherans, Appleton, and Donald Beyer, Wisconsin Life, Madison.

A discussion on procedures for keeping statistics on policy and mortgage loans was conducted by Fred Hansen, National Guardian, Madison, and Norbert Schultz, Old Line Life of Milwaukee. A fourth group, with Ralph Walker, Wisconsin National, discussed A&S coverage in relation to sub-standard policies in general.

NALU Names Campaign Heads in West, South

National Assn. of Life Underwriters has appointed Sam B. Starrett Jr., Guarantee Mutual Life, Omaha, an NALU trustee, and David Blumberg, general agent for Massachusetts Mutual Life at Knoxville, as membership chairmen in their respective areas in the campaign to boost NALU membership to 75,000.

Mr. Starrett's territory consists of Iowa, Kansas, Minnesota, Missouri, Nebraska and North and South Dakota. Mr. Blumberg's area is Alabama, Arkansas, Kentucky, Louisiana, Mississippi and Tennessee.

WANTED

A Florida Life and A. & H. Company has outstanding opportunity for experienced and aggressive Sales Executive, with broad agency building background in Life field, to establish agencies and build substantial volume of this type of business. Write Box R-72, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

Number of Companies in Texas up Despite Mergers, Liquidations

Despite the number of company mergers and liquidations, records of the Texas board of insurance commissioners just released show that there are 74 more insurance companies operating in Texas now than there were three years ago. The number as of Aug. 31 was 1,917.

The net gain of 74 is doubly striking, since a breakdown by types of insurers discloses that there was a decrease of 74 in mutual assessment classifications and an increase of 148, or twice 74, in the legal reserve categories.

At the start of the state fiscal year on Aug. 31, 1953, there were 1,843 companies operating in the state. Of this number 351 were legal reserve companies with home offices in Texas and 665 with home offices in other states, with the current totals being 73 and 691, respectively. The aggregates were 1,016 in 1953 and 1,164 in 1956. On the other hand there were 827 Texas-based companies under the mutual assessment category three years ago and now there are 753.

The present list of operating companies breaks down into these categories:

Legal reserve life companies: Stock—Texas 326, foreign—113; mutual—Texas 18, foreign—49; grand total, 506.

Stock fire—Texas 10, foreign 31; stock fire and casualty—Texas 53, foreign 318; stock casualty—Texas 6, foreign 23; mutual fire or casualty—Texas 9, foreign 88; Mexican casualty, 9; Lloyds—Texas 17, foreign 1; reciprocals—Texas 7, foreign 22; fraternal—Texas 13, foreign 34; title—Texas 14, foreign 3; grand total, 658.

Statewide mutual assessment life, health and accident, 52; local mutual aid, 274; burial associations, 336; exempt companies, 26; non-profit, 1; county mutual fire, 31; farm mutual fire, 33; total 753.

LAA Eastern Round Table to Examine Value of Research

The annual eastern round table of Life Advertisers Assn. March 28-29 at Barbizon-Plaza hotel, New York, will deal with the value of research to improve marketing and sales.

Before the meeting a team, headed by Charles R. Corcoran, 2nd vice president of Equitable Society, chairman of program and special events, will survey member companies on (1) the most effective content of sales proposals; (2) consumer language for advertisements; (3) gaining readership for company publications, and (4) merchandising a promotion program and advertising program. The results of the survey will be examined at the meeting.

The session will also include addresses by experts in advertising and advertising-public relations research.

Battleon Heads Citizens L. & C.

Stephen Battleon has been elected president of Citizens Life & Casualty of Los Angeles. He has been with West Coast Life for 30 years.

Citizens Life & Casualty is authorized to sell life, liability, workmen's compensation and common carrier liability. It plans to add disability and credit insurance when it receives its amended certificate of authority from the California department.

WANT ADS

Rates—\$20 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER—LIFE EDITION

SUPERINTENDENT OF AGENCIES

A progressive eastern life insurance company with a billion and a half dollars of life insurance in force and branch offices in more than sixty principal cities has an attractive opening for a Superintendent of Agencies. Applicant should have successful experience in management work and in selecting and training men for management. Preferably he should be between 35 and 40 years old and capable of directing and supervising branch operations through correspondence and personal visits. This is an excellent position for the right man and there are unlimited opportunities for advancement. Replies will be held confidential. Write, giving complete background and experience to Box R-69, The National Underwriter Company, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED A & H Underwriter

Fast growing New England Company offering complete Accident and Health and Hospitalization coverages has career opportunity for high caliber accident and health underwriter with 3-5 years experience in all lines. Write fully, giving age, resume of experience, etc., in strict confidence to Box R-59, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED CREDIT LIFE EXECUTIVE

New England Life Company has outstanding opportunity for experienced and aggressive sales executive to head Credit Life and Credit A & H Division. We require a man with broad Credit Life experience, and contacts with individuals and organizations writing substantial volumes of this type of business. Write fully, in strict confidence to Box R-73, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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"Frankly, Miss LaVerne, I think we'd better put you down as a 'housewife' and trust to luck."

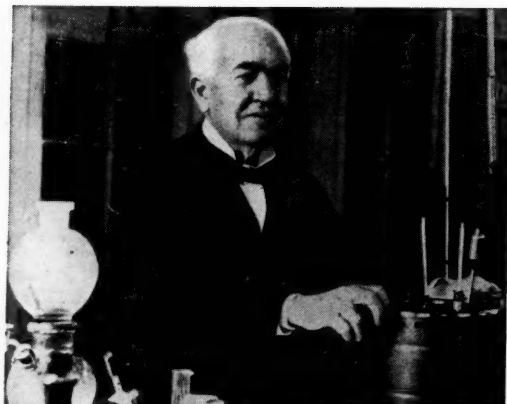
Don't let the light touch fool you. Because—outside of a cartoon—no life insurance agent can afford to take lightly his responsibility for the soundness of the risks he recommends to his company. The Provident Mutual agent knows and respects the rea-

sons for his company's practices and policies—and applies those same standards in his own thinking.

Only thus can the career agent serve—as Provident Mutual agents do—the best interests of his clients, his company and his community.

Provident Mutual

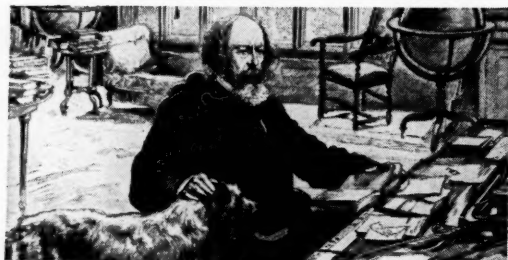
Life Insurance Company of Philadelphia



AT 83 THOMAS A. EDISON made pioneering studies on the production of synthetic rubber.



AT 79 PADEREWSKI was still a master of the piano, giving concerts before large audiences.



AT 83 ALFRED TENNYSON published one of his most memorable poems, *Crossing the Bar*.



AT 78 BENJAMIN FRANKLIN was ambassador to France; wrote his autobiography after 80.

Will your later years be ones of achievement and contentment?

IF YOU THINK about the many contributions which older people have made to the world . . . you realize how rewarding life's later years can be.

Today, more people than ever are proving that the years beyond 65 are not years to be *idly spent* . . . they are years to be *actively enjoyed*!

If you want your later years to be healthy, happy, active ones . . . and who does not? . . . here are some important things which you should begin to do *now*:

1. Adopt the right outlook on aging. Do not worry about old age. Worry will not delay it; more likely this will hasten it. Face up squarely to the problems of aging . . . and plan your life so you can meet future challenges.

2. Broaden your horizons as you grow older. "Mental adventure," whether it be in absorbing hobbies or in activities devoted to helping others, will stand you in good stead during your leisure years. "To learn what is new is to remain young."

3. Take stock of your health. Complete medical check-ups annually after you are 35 or 40 can help assure you a healthier life in your later years. Not the least of the benefits which you will get from regular visits to your doctor is medical advice about what you should and should not do as you get along in years.

You may have slipped into some bad health habits unknowingly . . . like over-eating or not eating enough of the protective foods . . . or not getting enough exercise and sleep. These may seem like small matters to you . . . *but good living habits pay off, and you cannot start them too early.*

Look at the older people around you who have mastered the art of growing old gracefully. Find out what they have done to achieve health and happiness in the sunset years. You may learn a lot that will help you. Indeed, you may live to echo the sentiments of an 80-year-old man who said, "I'm not 80. I'm just 4 times 20!"

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